

# Omnibus Appropriations Act - Agency Detail

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# Legislative

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Appropriations to legislative agencies provide carryforward funding for statutory duties, as well as enhancements in selected areas.

## **Senate and House of Representatives**

Funding is provided to continue support to the Legislative Ethics Board and to Project Citizen, a program to promote government participation by middle school students.

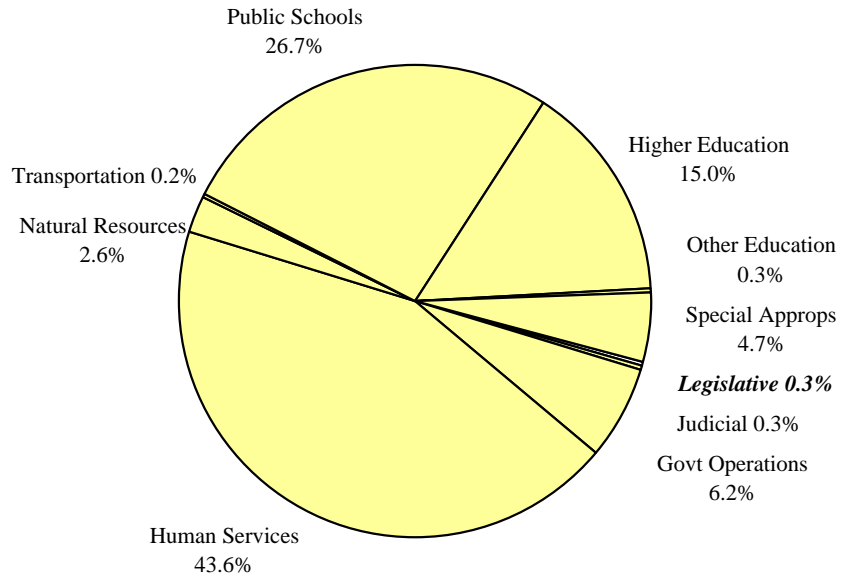
## **Joint Legislative Audit and Review Committee**

Funding is provided for studies of a variety of state programs, including developmental disabilities programs, the State School for the Deaf, water conservancy boards, and children's mental health services.

**2001-03 Washington State Operating Budget**  
**Total Budgeted Funds**  
(Dollars in Thousands)

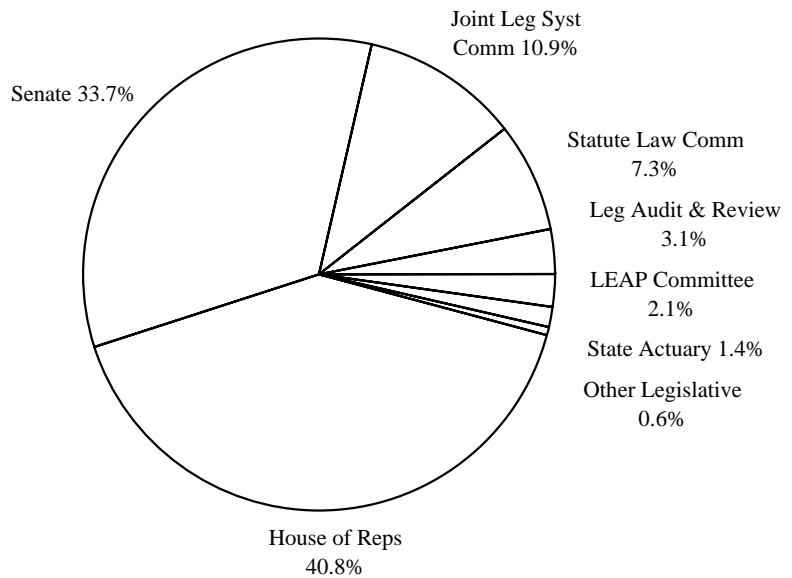
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<b>Legislative</b>	<b>139,285</b>
Judicial	141,697
Governmental Operations	2,707,559
Human Services	18,911,595
Natural Resources	1,123,648
Transportation	104,494
Public Schools	11,571,857
Higher Education	6,502,726
Other Education	116,415
Special Appropriations	2,036,571
<b>Statewide Total</b>	<b>43,355,847</b>



**Washington State**

House of Representatives	56,855
Senate	46,907
Jt Leg Systems Comm	15,170
Statute Law Committee	10,186
Jt Leg Audit & Rev Comm	4,374
LEAP Committee	2,994
State Actuary	1,923
Other Legislative	876
<b>Legislative</b>	<b>139,285</b>

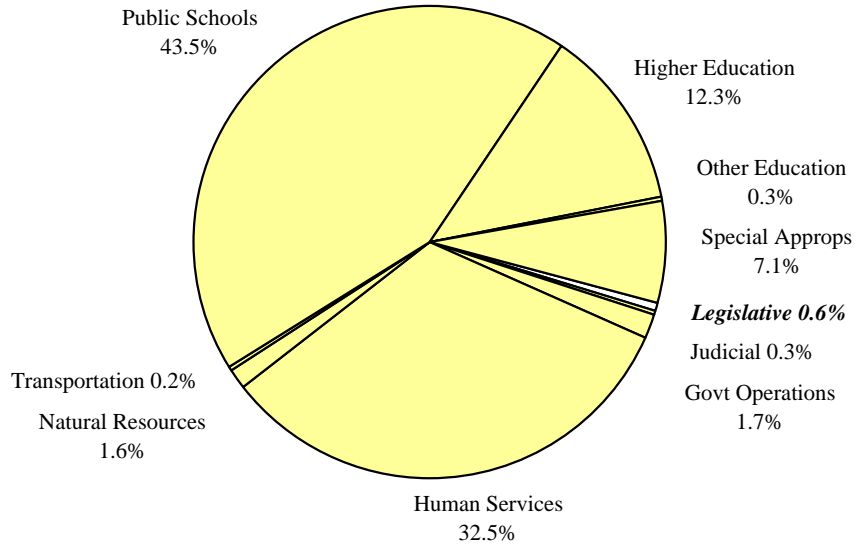


**Legislative**

**2001-03 Washington State Operating Budget**  
**General Fund-State**  
(Dollars in Thousands)

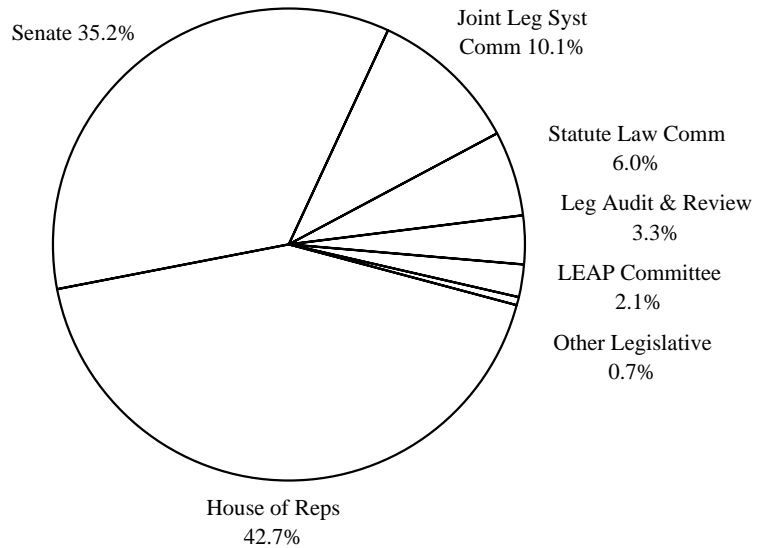
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<b>Legislative</b>	<b>133,124</b>
Judicial	71,679
Governmental Operations	392,304
Human Services	7,415,303
Natural Resources	355,477
Transportation	40,722
Public Schools	9,903,086
Higher Education	2,800,460
Other Education	59,988
Special Appropriations	1,611,095
<b>Statewide Total</b>	<b>22,783,238</b>



**Washington State**

House of Representatives	56,810
Senate	46,862
Jt Leg Systems Comm	13,464
Statute Law Committee	7,947
Jt Leg Audit & Rev Comm	4,374
LEAP Committee	2,791
Other Legislative	876
<b>Legislative</b>	<b>133,124</b>



**Legislative**

## House of Representatives

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>50,989</b>	<b>45</b>	<b>51,034</b>
<b>2001-03 Maintenance Level</b>	<b>56,795</b>	<b>45</b>	<b>56,840</b>
<b>Policy Changes</b>			
1. Developmental Disabilities Counsel	15	0	15
<b>Total 2001-03 Biennium</b>	<b>56,810</b>	<b>45</b>	<b>56,855</b>
Fiscal Year 2002 Total	28,313	0	28,313
Fiscal Year 2003 Total	28,497	45	28,542

**Comments:**

1. **Developmental Disabilities Counsel** - One-time funding is provided, for FY 2002, for the Legislature to continue the services of expert counsel on legal and policy issues relating to services for persons with developmental disabilities.

NOTE: The appropriations to the House of Representatives include \$84,000 in FY 2002 and \$84,000 in FY 2003 for the independent operations of the Legislative Ethics Board. Expenditure decisions of the Board, including employment of staff, shall be independent of the House of Representatives and the Senate.



**Senate**

(Dollars in Thousands)

	<b>GF-S</b>	<b>Other</b>	<b>Total</b>
<b>1999-01 Expenditure Authority</b>	<b>41,359</b>	<b>45</b>	<b>41,404</b>
<b>2001-03 Maintenance Level</b>	<b>45,170</b>	<b>45</b>	<b>45,215</b>
<b>Policy Changes</b>			
1. Senate Transportation Committee	1,677	0	1,677
2. Developmental Disabilities Counsel	15	0	15
<b>Total 2001-03 Biennium</b>	<b>46,862</b>	<b>45</b>	<b>46,907</b>
Fiscal Year 2002 Total	22,863	0	22,863
Fiscal Year 2003 Total	23,999	45	24,044

**Comments:**

1. **Senate Transportation Committee** - Funding for the Senate Transportation Committee is shifted from the Motor Vehicle Fund to General Fund-State. This funding is offset by a reduction in the Transportation Budget.
2. **Developmental Disabilities Counsel** - Funding is provided for the Legislature to continue the services of expert counsel on legal and policy issues relating to services for persons with developmental disabilities.

NOTE: The appropriations to the Senate include \$84,000 in FY 2000 and \$84,000 in FY 2001 for the independent operations of the Legislative Ethics Board. Expenditure decisions of the Board, including employment of staff, shall be independent of the Senate and House of Representatives.

# Joint Legislative Audit & Review Committee

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>3,375</b>	<b>0</b>	<b>3,375</b>
<b>2001-03 Maintenance Level</b>	<b>3,321</b>	<b>0</b>	<b>3,321</b>
<b>Policy Changes</b>			
1. Special Education Study	100	0	100
2. Audit Follow-Up Activities	100	0	100
3. General Inflation	-12	0	-12
4. Field Services Caseload Studies	375	0	375
5. Corrections Study	40	0	40
6. Developmental Disabilities Study	225	0	225
7. School for the Deaf Study	50	0	50
8. Water Conservancy Boards Study	35	0	35
9. Children's Mental Health Study	140	0	140
<b>Total 2001-03 Biennium</b>	<b>4,374</b>	<b>0</b>	<b>4,374</b>
Fiscal Year 2002 Total	2,436	0	2,436
Fiscal Year 2003 Total	1,938	0	1,938

## Comments:

- Special Education Study** - The Special Education Study mandated and funded in the 2000 Supplemental Budget will carry over into the 2001-03 biennium.
- Audit Follow-Up Activities** - Increased resources are provided for expanded audit follow-up activities to verify and evaluate implementation of performance audit recommendations, particularly the performance measurement system developed in the recently completed Mental Health audit.
- General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- Field Services Caseload Studies** - One-time funding is provided for studies of the field services caseloads in the Division of Developmental Disabilities (DDD) and the Child Protective Services and Child Welfare Services caseloads in the Children's Administration of the Department of Social and Health Services (DSHS). A report will be submitted to the fiscal committees of the Legislature and to the Office of Financial Management by July 30, 2002.
- Corrections Study** - One-time funding is provided for follow-up activities on the Department of Corrections' performance audit.
- Developmental Disabilities Study** - The Joint Legislative Audit and Review Committee (JLARC) will conduct an evaluation of the client outcomes of the High School Transition Program operated by DSHS DDD. The study will identify the different approaches that have been used in providing transition services and whether some approaches are more or less successful in helping young adults with developmental disabilities achieve greater levels of independence. The study will evaluate how transition programs reduce the level of support provided to clients as they achieve greater levels of independence.
- School for the Deaf Study** - The Committee will conduct a capacity planning study of the capital facilities of the state School for the Deaf. The Committee's study will be carried out in conjunction with the study of educational service delivery models conducted by the Washington State Institute for Public Policy. The study will be submitted to the fiscal committees of the Legislature by September 30, 2002.
- Water Conservancy Boards Study** - Funding is provided solely for the Committee to conduct a review of water conservancy boards, to be completed by January 1, 2003.
- Children's Mental Health Study** - The Committee will perform a study of the effectiveness of children's mental health services.

## Legislative Evaluation & Accountability Program

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>2,532</b>	<b>405</b>	<b>2,937</b>
<b>2001-03 Maintenance Level</b>	<b>2,741</b>	<b>203</b>	<b>2,944</b>
<b>Policy Changes</b>			
1. Additional Staff Resource	50	0	50
<b>Total 2001-03 Biennium</b>	<b>2,791</b>	<b>203</b>	<b>2,994</b>
Fiscal Year 2002 Total	1,329	99	1,428
Fiscal Year 2003 Total	1,462	104	1,566

**Comments:**

1. **Additional Staff Resource** - Funding is provided for additional staff resource to: manage the increased volume of state and local government information maintained by the Legislative Evaluation and Accountability Program (LEAP) Committee; support the increased number of fiscal staff using LEAP systems and data; respond to the increasing number of requests for specialized access to fiscal data; and to support the analysis of the impact of changes to funding sources and uses. This resource will also broaden access to fiscal information via the Internet; will improve the utility of the information by adding useful formats for decision making and communication; and improve understanding of fiscal information by adding context. (General Fund-State)

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of LEAP's budget is shown in the Transportation Budget Section of this document.

# Office of the State Actuary

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>0</b>	<b>1,967</b>	<b>1,967</b>
<b>2001-03 Maintenance Level</b>	<b>0</b>	<b>1,929</b>	<b>1,929</b>
<b>Policy Changes</b>			
1. General Inflation	0	-6	-6
<b>Total 2001-03 Biennium</b>	<b>0</b>	<b>1,923</b>	<b>1,923</b>
Fiscal Year 2002 Total	0	954	954
Fiscal Year 2003 Total	0	969	969

**Comments:**

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Department of Retirement Systems Expense Account)

## Joint Legislative Systems Committee

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>11,694</b>	<b>2,181</b>	<b>13,875</b>
<b>2001-03 Maintenance Level</b>	<b>13,218</b>	<b>1,836</b>	<b>15,054</b>
<b>Policy Changes</b>			
1. General Inflation	0	-130	-130
2. Additional Staffing	246	0	246
<b>Total 2001-03 Biennium</b>	<b>13,464</b>	<b>1,706</b>	<b>15,170</b>
Fiscal Year 2002 Total	6,421	889	7,310
Fiscal Year 2003 Total	7,043	817	7,860

**Comments:**

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
2. **Additional Staffing** - Funding is provided for the addition of an information technology position in the applications support group to meet application development demands. One-time funding is provided for a geographic information system analyst position, for FY 2002, to support the Redistricting Commission, as well as to evaluate the potential applications using the demographic and geographic information derived from the redistricting effort.

## Statute Law Committee

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1999-01 Expenditure Authority</b>	<b>7,238</b>	<b>2,489</b>	<b>9,727</b>
<b>2001-03 Maintenance Level</b>	<b>7,947</b>	<b>2,239</b>	<b>10,186</b>
<b>Total 2001-03 Biennium</b>	<b>7,947</b>	<b>2,239</b>	<b>10,186</b>
Fiscal Year 2002 Total	3,909	720	4,629
Fiscal Year 2003 Total	4,038	1,519	5,557

***Comments:***

No budget changes were recommended which reflect a change in statute or agency policy.

**Redistricting Commission**

(Dollars in Thousands)

	<b>GF-S</b>	<b>Other</b>	<b>Total</b>
<b>1999-01 Expenditure Authority</b>	<b>496</b>	<b>0</b>	<b>496</b>
<b>2001-03 Maintenance Level</b>	<b>876</b>	<b>0</b>	<b>876</b>
<b>Total 2001-03 Biennium</b>	<b>876</b>	<b>0</b>	<b>876</b>
Fiscal Year 2002 Total	856	0	856
Fiscal Year 2003 Total	20	0	20

**Comments:**

No budget changes were recommended which reflect a change in statute or agency policy.





# Judicial

## **Court of Appeals**

The amount of \$327,000 is provided to make compensation adjustments for Court of Appeals' staff based on recruitment and retention difficulties, new duties assigned, or salary inversion or compression. The Court of Appeals will determine the specific positions to receive an increase based on these factors.

Funding in the amount of \$159,000 is provided for costs associated with enhancing courtroom security and remodeling a bathroom in the Division III facility.

## **Office of the Administrator for the Courts**

A total of \$17.9 million is provided to maintain and upgrade the judicial information system. The Office of the Administrator for the Courts is in the process of converting many applications from mainframe to web-based environments. Included in the total appropriation is \$410,000 that is provided for purchasing audio recording, courtroom presentation, and video conferencing equipment for all divisions of the Court of Appeals and for replacing the audio system in Division I.

The amount of \$1,618,000 is provided for increasing juror pay. The Office of the Administrator for the Courts may contract with local governments to provide additional juror pay. The contract shall provide that the local government is responsible for the first \$10 of juror compensation for each day or partial day of jury service, and the state shall reimburse the local government for any additional compensation, excluding the first day, up to a maximum of \$15 per day.

A total of \$750,000 is provided for enhancements to certain judicial programs as determined by the Office of the Administrator for the Courts in consultation with the Supreme Court. Unified family courts are among the programs that may be funded from this appropriation.

The amount of \$138,000 is provided to pay for pro-tem judges who travel outside of their jurisdictions to assist other courts in reducing temporary backlogs.

## **Office of Public Defense**

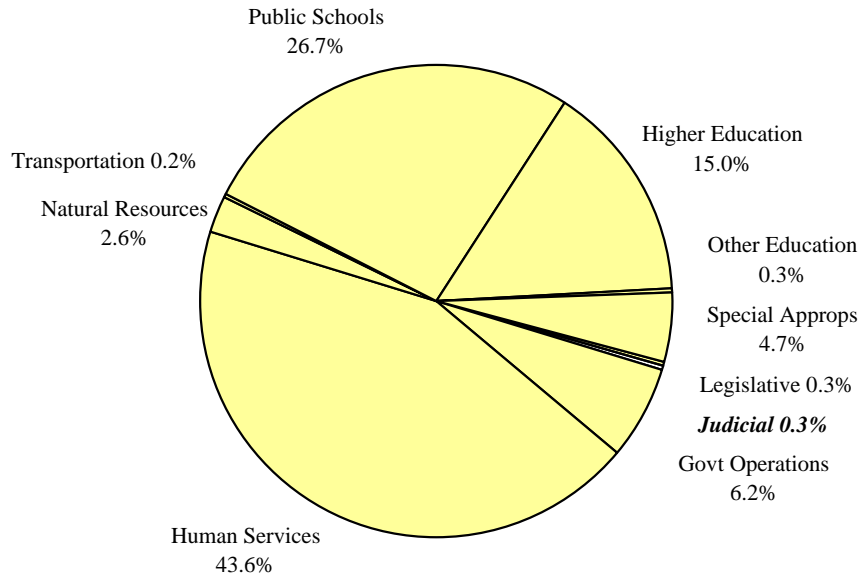
A total of \$600,000 is provided to continue a pilot program through June 30, 2002, to improve defense services provided for parents involved in dependency and termination hearings. An evaluation of the pilot project is due by February 1, 2002.

Funding in the amount of \$235,000 is provided for the Office of Public Defense to contract with an existing public defender association to establish a Capital Defense Assistance Center. The center will provide training and assistance to defense attorneys involved in capital offense cases.

**2001-03 Washington State Operating Budget**  
**Total Budgeted Funds**  
(Dollars in Thousands)

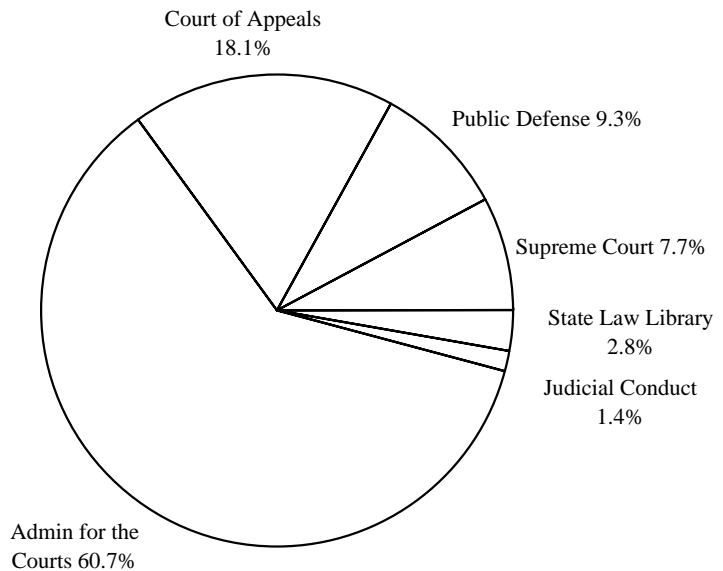
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Legislative	139,285
<b>Judicial</b>	<b>141,697</b>
Governmental Operations	2,707,559
Human Services	18,911,595
Natural Resources	1,123,648
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Public Schools	11,571,857
Higher Education	6,502,726
Other Education	116,415
Special Appropriations	2,036,571
<b>Statewide Total</b>	<b>43,355,847</b>



**Washington State**

Admin for the Courts	86,025
Court of Appeals	25,624
Office of Public Defense	13,226
Supreme Court	10,933
State Law Library	3,965
Judicial Conduct Comm	1,924
<b>Judicial</b>	<b>141,697</b>

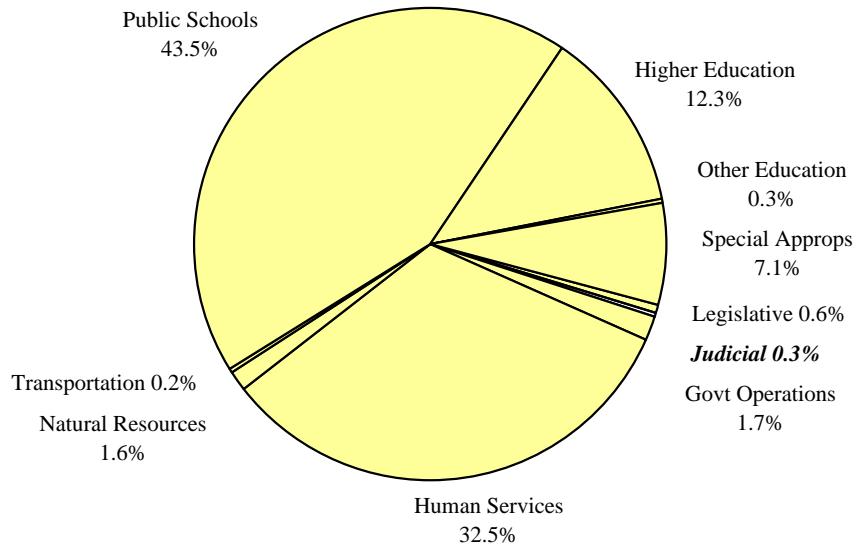


**Judicial**

**2001-03 Washington State Operating Budget**  
**General Fund-State**  
(Dollars in Thousands)

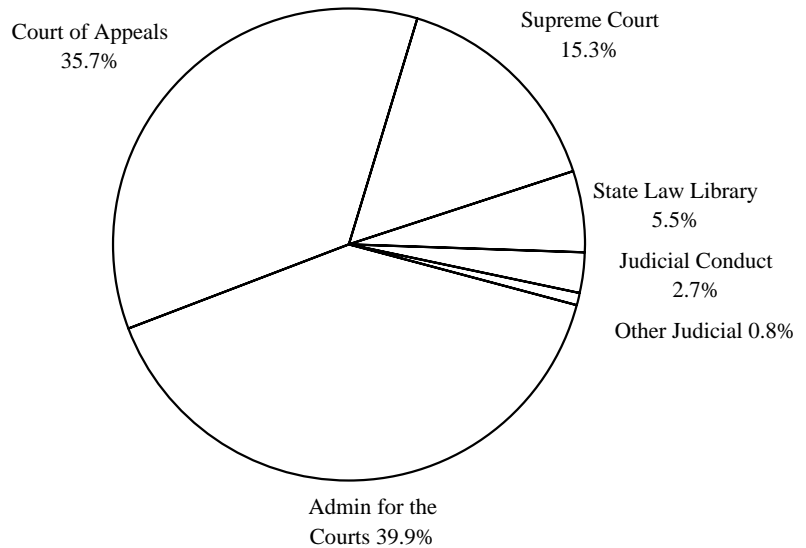
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Legislative	133,124
<b>Judicial</b>	<b>71,679</b>
Governmental Operations	392,304
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Natural Resources	355,477
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Public Schools	9,903,086
Higher Education	2,800,460
Other Education	59,988
Special Appropriations	1,611,095
<b>Statewide Total</b>	<b>22,783,238</b>



**Washington State**

Admin for the Courts	28,633
Court of Appeals	25,624
Supreme Court	10,933
State Law Library	3,965
Judicial Conduct Comm	1,924
Other Judicial	600
<b>Judicial</b>	<b>71,679</b>



**Judicial**

## Supreme Court

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>10,094</b>	<b>0</b>	<b>10,094</b>
<b>2001-03 Maintenance Level</b>	<b>10,916</b>	<b>0</b>	<b>10,916</b>
<b>Policy Changes</b>			
1. General Inflation	-28	0	-28
2. Historic Furnishings Survey	11	0	11
3. Reclass for Reporter's Office	24	0	24
4. Feasibility Study of Court Reports	10	0	10
<b>Total 2001-03 Biennium</b>	<b>10,933</b>	<b>0</b>	<b>10,933</b>
Fiscal Year 2002 Total	5,423	0	5,423
Fiscal Year 2003 Total	5,510	0	5,510

**Comments:**

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
2. **Historic Furnishings Survey** - Funding is provided for a survey to review and catalog all historic furnishings in the Justices' chambers, private staff offices, and conference rooms located in the Temple of Justice. This survey will produce a catalog of historic furnishings by type and provide a room-by-room listing of historic furnishings including a condition assessment of each piece.
3. **Reclass for Reporter's Office** - Funding is provided for costs associated with a reclassification of positions in the Court Reporter's Office to reflect the increased skills and knowledge required to perform the job.
4. **Feasibility Study of Court Reports** - An 11-member committee will be created to study and develop recommendations on the publication of court reports for public access in electronic format.

**State Law Library**

(Dollars in Thousands)

	<b>GF-S</b>	<b>Other</b>	<b>Total</b>
<b>1999-01 Expenditure Authority</b>	<b>3,685</b>	<b>0</b>	<b>3,685</b>
<b>2001-03 Maintenance Level</b>	<b>3,970</b>	<b>0</b>	<b>3,970</b>
<b>Policy Changes</b>			
1. General Inflation	-41	0	-41
2. Reclassification	36	0	36
<b>Total 2001-03 Biennium</b>	<b>3,965</b>	<b>0</b>	<b>3,965</b>
Fiscal Year 2002 Total	1,982	0	1,982
Fiscal Year 2003 Total	1,983	0	1,983

**Comments:**

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
2. **Reclassification** - Funding is provided for the reclassification of State Law Library technician positions. The increases are related to recent adjustments made in executive branch library technician salary levels.

**Court of Appeals**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1999-01 Expenditure Authority</b>	<b>22,779</b>	<b>0</b>	<b>22,779</b>
<b>2001-03 Maintenance Level</b>	<b>25,249</b>	<b>0</b>	<b>25,249</b>
<b>Policy Changes</b>			
1. General Inflation	-111	0	-111
2. ADA Compliance/Court Security	159	0	159
3. Salary Adjustment Pool	327	0	327
<b>Total 2001-03 Biennium</b>	<b>25,624</b>	<b>0</b>	<b>25,624</b>
Fiscal Year 2002 Total	12,746	0	12,746
Fiscal Year 2003 Total	12,878	0	12,878

**Comments:**

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
2. **ADA Compliance/Court Security** - Funding is provided for costs associated with remodeling a bathroom in the Division III facility to comply with the Americans with Disabilities Act (ADA). Additionally, court security will be enhanced by the addition of monitoring equipment and personnel.
3. **Salary Adjustment Pool** - Funding is provided to make compensation adjustments for Court of Appeals' staff based on recruitment and retention difficulties, new duties or responsibilities assigned, or salary inversion or compression. The Court of Appeals will determine the specific positions that will receive compensation adjustments based on these criteria.

## Commission on Judicial Conduct

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>1,756</b>	<b>0</b>	<b>1,756</b>
2001 Supplemental *	92	0	92
<b>Total 1999-01 Biennium</b>	<b>1,848</b>	<b>0</b>	<b>1,848</b>
<b>2001-03 Maintenance Level</b>	<b>1,766</b>	<b>0</b>	<b>1,766</b>
<b>Policy Changes</b>			
1. General Inflation	-6	0	-6
2. Increased Workload	131	0	131
3. Internet Information System	33	0	33
<b>Total 2001-03 Biennium</b>	<b>1,924</b>	<b>0</b>	<b>1,924</b>
Fiscal Year 2002 Total	955	0	955
Fiscal Year 2003 Total	969	0	969

**Comments:**

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
2. **Increased Workload** - Funding is provided for a new staff investigator position to address additional workload due to an increase in the number of investigations and public proceedings.
3. **Internet Information System** - Funding is provided for the Commission to develop document imaging capabilities for the storage and processing of their complaints. Additionally, the Commission plans to begin integrating this system with Internet-based applications to allow greater access to Commission members and the public.

\* Please see the 2001 Supplemental Operating Budget Section for additional information.

## Office of the Administrator for the Courts

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>27,713</b>	<b>44,101</b>	<b>71,814</b>
2001 Supplemental *	-365	50	-315
<b>Total 1999-01 Biennium</b>	<b>27,348</b>	<b>44,151</b>	<b>71,499</b>
<b>2001-03 Maintenance Level</b>	<b>28,711</b>	<b>37,644</b>	<b>66,355</b>
<b>Policy Changes</b>			
1. General Inflation	-78	-652	-730
2. Local Court Backlog Assistance	0	138	138
3. Adjust Judicial Information Systems	0	0	0
4. Judicial Information Enhancements	0	17,894	17,894
5. Judicial Enhancement Pool	0	750	750
6. Juror Fee Increase	0	1,618	1,618
<b>Total 2001-03 Biennium</b>	<b>28,633</b>	<b>57,392</b>	<b>86,025</b>
Fiscal Year 2002 Total	14,247	28,079	42,326
Fiscal Year 2003 Total	14,386	29,313	43,699

### Comments:

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, Public Safety and Education Account, Judicial Information Systems Account)
2. **Local Court Backlog Assistance** - Funding is provided to pay for pro-tem, travel, and per diem costs for judges who travel outside of their jurisdictions to assist other courts in reducing temporary backlogs. (Public Safety and Education Account)
3. **Adjust Judicial Information Systems** - Funding is adjusted to equalize the costs associated with carryforward level costs of the judicial information systems (JIS). (Public Safety and Education Account, Judicial Information Systems Account)
4. **Judicial Information Enhancements** - Funding is provided for the Office of the Administrator for the Courts to enhance and upgrade various components of the JIS. Of the total funds appropriated, \$410,000 is to be used to replace the audio system in Division I of the Court of Appeals and to purchase audio recording, courtroom presentation, and video conferencing equipment for all divisions of the Court of Appeals. The spending authority reflected in the appropriation level for information technology systems is based on an assumption that the Supreme Court will increase the JIS assessment from \$10 to \$12. (Public Safety and Education Account, Judicial Information System Account)
5. **Judicial Enhancement Pool** - The amount of \$750,000 is provided for enhancements to certain judicial programs as determined by the Office of the Administrator for the Courts in consultation with the Supreme Court. Unified family courts are among the programs that may be funded from this appropriation. (Public Safety and Education Account)
6. **Juror Fee Increase** - Funding is provided to increase juror compensation. The Office of the Administrator for the Courts may contract with local governments to provide additional juror pay. The contract shall provide that the local government is responsible for the first \$10 of juror compensation for each day or partial day of jury service, and the state shall reimburse the local government for any additional compensation, excluding the first day, up to a maximum of \$15 per day. (Public Safety and Education Account)

\* Please see the 2001 Supplemental Operating Budget Section for additional information.



## Office of Public Defense

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>500</b>	<b>12,490</b>	<b>12,990</b>
2001 Supplemental *	0	-410	-410
<b>Total 1999-01 Biennium</b>	<b>500</b>	<b>12,080</b>	<b>12,580</b>
<b>2001-03 Maintenance Level</b>	<b>0</b>	<b>12,262</b>	<b>12,262</b>
<b>Policy Changes</b>			
1. General Inflation	0	-104	-104
2. Attorney Fee Vendor Rate Increase	0	233	233
3. Dependency and Termination	600	0	600
4. Capital Defense Center	0	235	235
<b>Total 2001-03 Biennium</b>	<b>600</b>	<b>12,626</b>	<b>13,226</b>
Fiscal Year 2002 Total	600	6,317	6,917
Fiscal Year 2003 Total	0	6,309	6,309

**Comments:**

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Public Safety and Education Account)
2. **Attorney Fee Vendor Rate Increase** - Funding is provided for a vendor rate increase for attorneys that handle indigent appellate cases. Rates will be increased by 2.1 percent on July 1, 2001, and an additional 2.3 percent on July 1, 2002. (Public Safety and Education Account)
3. **Dependency and Termination** - Funding is provided to continue a pilot program through June 30, 2002, to improve defense services provided for parents involved in dependency and termination hearings. A final evaluation of this pilot project will be submitted to the Governor and to the fiscal committees of the Legislature by February 1, 2002.
4. **Capital Defense Center** - Funding is provided for the Office of Public Defense to contract with an existing public defender association to establish a Capital Defense Assistance Center (CDAC). CDAC will provide training and assistance to defense attorneys involved in capital offense cases. (Public Safety and Education Account)

\* Please see the 2001 Supplemental Operating Budget Section for additional information.



# Governmental Operations

## **Department of Community, Trade, and Economic Development**

The amount of \$1 million is provided for the acquisition of equipment to preserve donated perishable goods. These funds are in addition to the existing level of state food assistance of \$7.4 million per biennium.

The amount of \$200,000 is provided to assist industrial workers who have been displaced by energy-related plant closures in rural counties. Grants will be provided to meet the displaced workers' basic needs including, but not limited to, emergency medical and dental services, family and mental health counseling, food, energy costs, mortgage, and rental costs.

An additional \$880,000 is provided for community-based legal advocates to assist sexual assault victims with both civil and criminal justice issues.

## **Utilities and Transportation Commission**

Following the passage of the Washington State Pipeline Safety Act of 2000, funding is provided for the Utilities and Transportation Commission to implement an interstate and intrastate natural gas and hazardous liquid pipeline safety program.

## **Military Department**

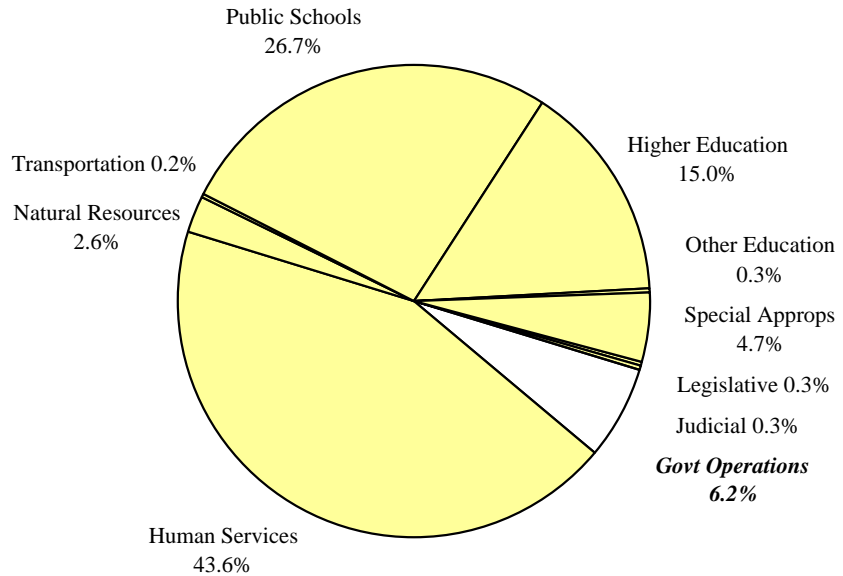
The budget provides \$37.9 million in state funds and \$157.8 million in federal funds for costs associated with the response and recovery activities as a result of the February 28, 2001, earthquake. The funding provided is sufficient to cover the entire state match for state agency costs and one-half of the local match required for Federal Emergency Management Agency reimbursement.

# 2001-03 Washington State Operating Budget

## Total Budgeted Funds

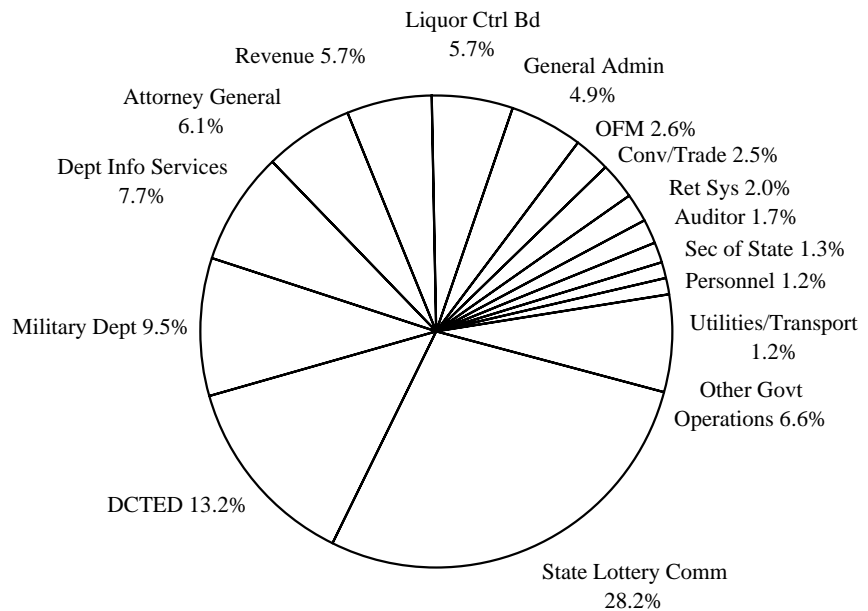
(Dollars in Thousands)

Legislative	139,285
Judicial	141,697
<b>Governmental Operations</b>	<b>2,707,559</b>
Human Services	18,911,595
Natural Resources	1,123,648
Transportation	104,494
Public Schools	11,571,857
Higher Education	6,502,726
Other Education	116,415
Special Appropriations	2,036,571
<b>Statewide Total</b>	<b>43,355,847</b>



## Washington State

Lottery Commission	763,162
Comm/Trade/Econ Dev	357,893
Military Department	257,367
Dept Information Services	209,488
Attorney General	164,806
Department of Revenue	155,498
Liquor Control Board	153,229
Dept General Administration	133,029
Office of Financial Mgmt	69,226
Convention & Trade Center	67,734
Dept Retirement Systems	52,917
State Auditor	44,940
Secretary of State	34,561
Dept of Personnel	33,693
Utilities & Transpo Comm	31,235
Other Govt Operations	178,781
<b>Governmental Operations</b>	<b>2,707,559</b>

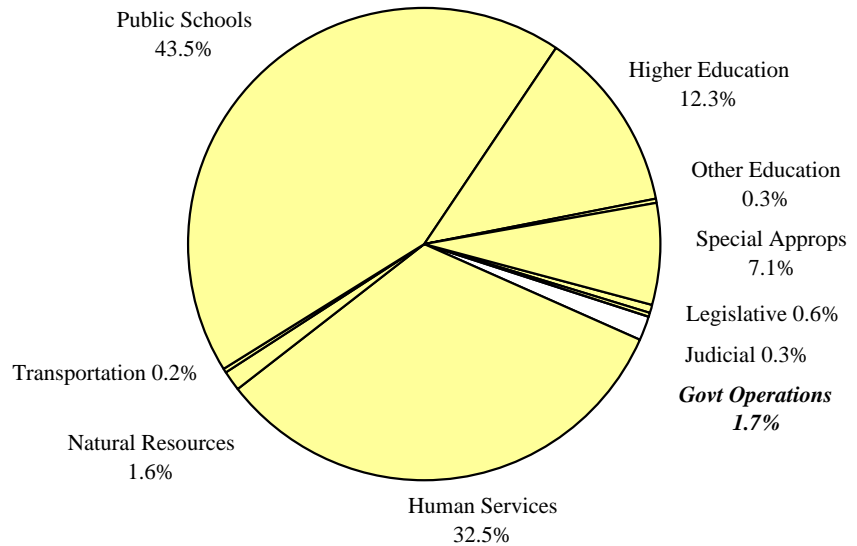


## Governmental Operations

**2001-03 Washington State Operating Budget**  
**General Fund-State**  
(Dollars in Thousands)

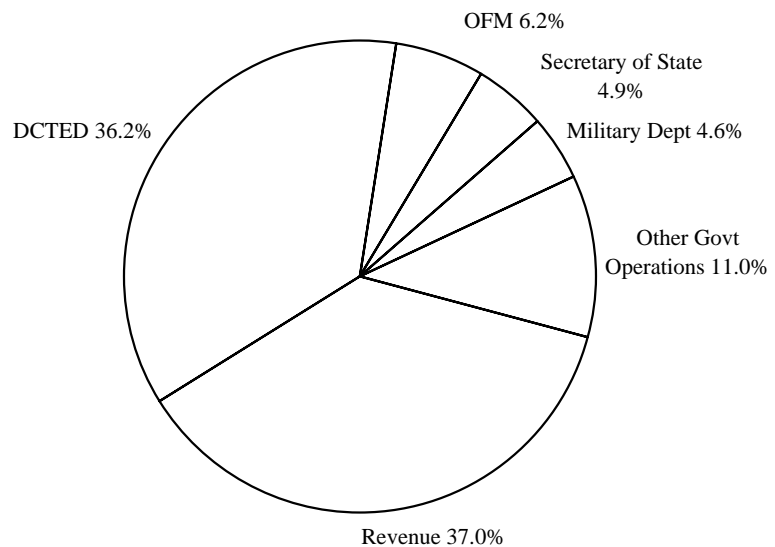
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Legislative	133,124
Judicial	71,679
<b>Governmental Operations</b>	<b>392,304</b>
Human Services	7,415,303
Natural Resources	355,477
Transportation	40,722
Public Schools	9,903,086
Higher Education	2,800,460
Other Education	59,988
Special Appropriations	1,611,095
<b>Statewide Total</b>	<b>22,783,238</b>



**Washington State**

Department of Revenue	145,207
Comm/Trade/Econ Dev	141,957
Office of Financial Mgmt	24,480
Secretary of State	19,220
Military Department	18,144
Other Govt Operations	43,296
<b>Governmental Operations</b>	<b>392,304</b>



**Governmental Operations**

# Office of the Governor

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>11,482</b>	<b>909</b>	<b>12,391</b>
<b>2001-03 Maintenance Level</b>	<b>12,065</b>	<b>923</b>	<b>12,988</b>
<b>Policy Changes</b>			
1. Data Management Coordinator	200	0	200
2. Puget Sound Action Team Funding	-3,204	3,204	0
<b>Total 2001-03 Biennium</b>	<b>9,061</b>	<b>4,127</b>	<b>13,188</b>
Fiscal Year 2002 Total	4,537	2,054	6,591
Fiscal Year 2003 Total	4,524	2,073	6,597

**Comments:**

- Data Management Coordinator** - The Governor's Joint Natural Resource Cabinet (JNRC) has established the Salmon and Watershed Information Management (SWIM) project to coordinate salmon recovery data information. The project coordinator will advise the JNRC on policy and strategic issues related to information management on a watershed scale as well as facilitate progress on information access, process and procedures, and appropriate data documentation. Additionally, the SWIM coordinator will oversee the Natural Resources Data Pool.
- Puget Sound Action Team Funding** - Funding for the Puget Sound Action Team is provided from the Water Quality Account.

## Office of the Lieutenant Governor

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>686</b>	<b>160</b>	<b>846</b>
<b>2001-03 Maintenance Level</b>	<b>747</b>	<b>0</b>	<b>747</b>
<b>Policy Changes</b>			
1. General Inflation	-3	0	-3
2. Salary Administration Fund	34	0	34
3. Technical Support	18	0	18
4. Director of Agency Affairs Position	104	0	104
<b>Total 2001-03 Biennium</b>	<b>900</b>	<b>0</b>	<b>900</b>
Fiscal Year 2002 Total	449	0	449
Fiscal Year 2003 Total	451	0	451

**Comments:**

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
2. **Salary Administration Fund** - Funding is provided for compensation increases to reflect professional development and advancement. The Personnel Board does not administer exempt salary ranges for the staff of statewide elected officials.
3. **Technical Support** - Funding for staff travel is increased. Staff will provide on-site technical and administrative support to the Lieutenant Governor for public appearances.
4. **Director of Agency Affairs Position** - Funding is provided to establish the position of Director of Agency Affairs.

## Public Disclosure Commission

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>3,921</b>	<b>0</b>	<b>3,921</b>
2001 Supplemental *	137	0	137
<b>Total 1999-01 Biennium</b>	<b>4,058</b>	<b>0</b>	<b>4,058</b>
<b>2001-03 Maintenance Level</b>	<b>3,819</b>	<b>0</b>	<b>3,819</b>
<b>Policy Changes</b>			
1. General Inflation	-6	0	-6
<b>Total 2001-03 Biennium</b>	<b>3,813</b>	<b>0</b>	<b>3,813</b>
Fiscal Year 2002 Total	1,910	0	1,910
Fiscal Year 2003 Total	1,903	0	1,903

**Comments:**

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

\* Please see the 2001 Supplemental Operating Budget Section for additional information.



## Office of the Secretary of State

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>22,442</b>	<b>12,921</b>	<b>35,363</b>
2001 Supplemental *	1,371	396	1,767
<b>Total 1999-01 Biennium</b>	<b>23,813</b>	<b>13,317</b>	<b>37,130</b>
<b>2001-03 Maintenance Level</b>	<b>19,353</b>	<b>12,851</b>	<b>32,204</b>
<b>Policy Changes</b>			
1. General Inflation	-133	-90	-223
2. Eastern Regional Archives Move	0	1,824	1,824
3. Archives Records Center Space	0	641	641
4. Southwest Regional Archives Rent	0	115	115
<b>Total 2001-03 Biennium</b>	<b>19,220</b>	<b>15,341</b>	<b>34,561</b>
Fiscal Year 2002 Total	10,513	7,014	17,527
Fiscal Year 2003 Total	8,707	8,327	17,034

**Comments:**

- General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, other funds)
- Eastern Regional Archives Move** - One-time and ongoing funding and staff are provided to move into, then operate, the new Eastern Washington Regional Archives building, which is included in the Governor's 2001-03 capital budget. Once completed, the building will include the State Electronic Data Archives, a facility designed to store official public records that originate as digital records and which, by statute or regulation, must be stored for longer than six years. (Archives and Records Management Account-State, Archives and Records Management Account-Private/Local)
- Archives Records Center Space** - One-time funding is provided for temporary staff and costs associated with a capital budget project expanding the State Records Center, and ongoing funding is provided for staff to operate the expanded facility. The State Records Center provides temporary storage of state agencies' records. (Archives and Records Management Account-State)
- Southwest Regional Archives Rent** - Funding is provided for a rent increase associated with expanded space for the Southwest Records Archive Center. (Archives and Records Management Account-State, Archives and Records Management Account-Private/Local)

\* Please see the 2001 Supplemental Operating Budget Section for additional information.

## Governor's Office of Indian Affairs

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>520</b>	<b>0</b>	<b>520</b>
<b>2001-03 Maintenance Level</b>	<b>553</b>	<b>0</b>	<b>553</b>
<b>Policy Changes</b>			
1. General Inflation	-2	0	-2
<b>Total 2001-03 Biennium</b>	<b>551</b>	<b>0</b>	<b>551</b>
Fiscal Year 2002 Total	269	0	269
Fiscal Year 2003 Total	282	0	282

**Comments:**

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

## Washington State Commission on Asian-Pacific-American Affairs

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>430</b>	<b>0</b>	<b>430</b>
2001 Supplemental *	6	0	6
<b>Total 1999-01 Biennium</b>	<b>436</b>	<b>0</b>	<b>436</b>
<b>2001-03 Maintenance Level</b>	<b>469</b>	<b>0</b>	<b>469</b>
<b>Policy Changes</b>			
1. General Inflation	-3	0	-3
<b>Total 2001-03 Biennium</b>	<b>466</b>	<b>0</b>	<b>466</b>
Fiscal Year 2002 Total	233	0	233
Fiscal Year 2003 Total	233	0	233

**Comments:**

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

\* Please see the 2001 Supplemental Operating Budget Section for additional information.

# Office of the State Treasurer

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>0</b>	<b>14,244</b>	<b>14,244</b>
<b>2001-03 Maintenance Level</b>	<b>0</b>	<b>12,918</b>	<b>12,918</b>
<b>Policy Changes</b>			
1. General Inflation	0	-48	-48
<b>Total 2001-03 Biennium</b>	<b>0</b>	<b>12,870</b>	<b>12,870</b>
Fiscal Year 2002 Total	0	6,434	6,434
Fiscal Year 2003 Total	0	6,436	6,436

**Comments:**

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (State Treasurer's Service Account)

## Office of the State Auditor

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>2,156</b>	<b>41,015</b>	<b>43,171</b>
<b>2001-03 Maintenance Level</b>	<b>2,229</b>	<b>43,379</b>	<b>45,608</b>
<b>Policy Changes</b>			
1. General Inflation	-17	-341	-358
2. Local Government Finance Project	0	100	100
3. Demonstration Performance Audits	600	0	600
4. Remove Third Runway Audit Funding	-410	0	-410
5. Governor Veto	-600	0	-600
<b>Total 2001-03 Biennium</b>	<b>1,802</b>	<b>43,138</b>	<b>44,940</b>
Fiscal Year 2002 Total	778	21,599	22,377
Fiscal Year 2003 Total	1,024	21,539	22,563

**Comments:**

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
2. **Local Government Finance Project** - Funding is provided for ongoing maintenance of the Local Government Finance Project. (Municipal Revolving Account-Non-Appropriated)
3. **Demonstration Performance Audits** - Funding is provided to conduct three performance audits as demonstration audits for state and local governmental agencies. Each audit shall include a financial history and shall identify and review performance measures, benchmarks, quality management practices, and efficiencies achieved. The State Auditor shall report findings from these audits to legislative committees by December 1, 2002.
4. **Remove Third Runway Audit Funding** - Funding is removed for a performance and financial audit of the Port of Seattle's third runway project, and the requirement that an audit be conducted is also eliminated.
5. **Governor Veto** - The Governor vetoed Section 123(3) of Chapter 7, Laws of 2001, 2nd sp.s., Partial Veto (ESSB 6153), which earmarked \$600,000 General Fund-State for the State Auditor to conduct performance audits of three governmental entities.

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the Office of the State Auditor's budget is shown in the Transportation Budget Section of this document.

# Citizens' Commission on Salaries for Elected Officials

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>195</b>	<b>0</b>	<b>195</b>
2001 Supplemental *	5	0	5
<b>Total 1999-01 Biennium</b>	<b>200</b>	<b>0</b>	<b>200</b>
<b>2001-03 Maintenance Level</b>	<b>235</b>	<b>0</b>	<b>235</b>
<b>Policy Changes</b>			
1. General Inflation	-3	0	-3
<b>Total 2001-03 Biennium</b>	<b>232</b>	<b>0</b>	<b>232</b>
Fiscal Year 2002 Total	80	0	80
Fiscal Year 2003 Total	152	0	152

**Comments:**

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

\* Please see the 2001 Supplemental Operating Budget Section for additional information.

## Office of the Attorney General

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>8,636</b>	<b>148,823</b>	<b>157,459</b>
2001 Supplemental *	-30	0	-30
<b>Total 1999-01 Biennium</b>	<b>8,606</b>	<b>148,823</b>	<b>157,429</b>
<b>2001-03 Maintenance Level</b>	<b>9,643</b>	<b>147,902</b>	<b>157,545</b>
<b>Policy Changes</b>			
1. General Inflation	-26	-608	-634
2. Labor & Industries Support Staff	0	672	672
3. Water Resources	0	318	318
4. New Retirement System	0	79	79
5. Sexually Violent Predators	0	1,253	1,253
6. Medicaid Fraud	0	480	480
7. Criminal Litigation Capability	0	334	334
8. Children's Services Litigation	0	672	672
9. Endangered Species Act	0	147	147
10. Nuclear Waste	0	382	382
11. Network Equipment	0	276	276
12. Office/Windows 2000 Upgrade	0	662	662
13. Tobacco Litigation	0	277	277
14. Indeterminate Sentence Review Board	0	83	83
15. Industrial Insurance Appeals Judge	0	1,372	1,372
16. Labor & Industries Cases	0	888	888
<b>Total 2001-03 Biennium</b>	<b>9,617</b>	<b>155,189</b>	<b>164,806</b>
Fiscal Year 2002 Total	4,811	78,549	83,360
Fiscal Year 2003 Total	4,806	76,640	81,446

**Comments:**

- General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, Other Funds)
- Labor & Industries Support Staff** - Funding is provided to hire support staff for the Attorney General's Labor and Industries Division. The new hires will be directly employed by the Office of the Attorney General rather than by the Department of Labor and Industries. (Legal Services Revolving Account)
- Water Resources** - Additional legal services will be provided to the Department of Ecology in support of the water allocation issues. (Legal Services Revolving Account)
- New Retirement System** - Additional legal services will be provided to the Department of Retirement Systems to support the new Public Employees' Retirement System 3. (Legal Services Revolving Account)
- Sexually Violent Predators** - The addition of two assistant attorneys general and support staff will enable the Sexually Violent Predator Unit in the Office of the Attorney General to decrease the wait time for cases and the number of cases awaiting initial commitment trial and assume cases currently being handled by the Snohomish County Prosecutors Office. (Legal Services Revolving Account)
- Medicaid Fraud** - The Office of the Attorney General's Medicaid Fraud Control Unit will increase the number of fraud and resident abuse investigations by 20 percent and will examine a larger portion of the Medicaid budget. (General Fund-Federal, Public Safety and Education Account)
- Criminal Litigation Capability** - Additional investigative and prosecutorial assistance will be provided to local governments when a conflict of interest occurs or in complex criminal cases where additional expertise is needed. (Public Safety and Education Account)
- Children's Services Litigation** - Implementation of the federal Child Abuse Prevention and Treatment Act (CAPTA) by the Department of Social and Health Services has increased legal hearings. Under CAPTA, anyone who has been found to have committed an act of child abuse or neglect through a Child Protective Services investigation has the right to an administrative fair hearing. Assistant attorneys general represent the state in these proceedings. (Legal Services Revolving Account)
- Endangered Species Act** - Additional legal services will be provided to the Department of Fish and Wildlife to address

## Office of the Attorney General

issues regarding the listing of salmon and other fish species under the Endangered Species Act. (Legal Services Revolving Account)

10. **Nuclear Waste** - Legal services will be provided to the Department of Ecology to assist with regulation of the United States Department of Energy cleanup activities at Hanford. (Legal Services Revolving Account)
11. **Network Equipment** - Funding is provided to replace network equipment on a three-year lease purchase cycle. (Legal Services Revolving Account)
12. **Office/Windows 2000 Upgrade** - Funding is provided to upgrade Microsoft software, train staff to use software, and replace desktop computers. (Legal Service Revolving Account)
13. **Tobacco Litigation** - The Office of the Attorney General will enforce a statute which requires manufacturers not participating in the Tobacco Master Settlement Agreement to deposit funds in an escrow account based on cigarette product sales in Washington State. If costs are recovered from tobacco manufacturers, funds will be returned to the Tobacco Prevention and Control Account. (Tobacco Prevention and Control Account)
14. **Indeterminate Sentence Review Board** - Cases heard by the Indeterminate Sentence Review Board have become more complex and involve offenders who have committed serious offenses, creating a need for additional legal services from the Office of the Attorney General. (Legal Services Revolving Account)
15. **Industrial Insurance Appeals Judge** - Additional legal services will be provided to the Board of Industrial Insurance Appeals to address the increased workload associated with the addition of Hearing and Mediation Judges. (Legal Services Revolving Account)
16. **Labor & Industries Cases** - One-time funding for FY 2002 is provided for costs of implementing a recent state Supreme Court ruling regarding the calculation of workers' compensation benefits. The Department of Labor and Industries is to develop and recommend statutory language to the Legislature by October 1, 2001, that provides greater certainty and simplicity in the calculation of workers' compensation benefits. (Legal Services Revolving Account)

\* Please see the 2001 Supplemental Operating Budget Section for additional information.



## Caseload Forecast Council

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>910</b>	<b>0</b>	<b>910</b>
<b>2001-03 Maintenance Level</b>	<b>1,083</b>	<b>0</b>	<b>1,083</b>
<b>Policy Changes</b>			
1. General Inflation	-3	0	-3
2. Employee Compensation	170	0	170
<b>Total 2001-03 Biennium</b>	<b>1,250</b>	<b>0</b>	<b>1,250</b>
Fiscal Year 2002 Total	631	0	631
Fiscal Year 2003 Total	619	0	619

**Comments:**

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
2. **Employee Compensation** - Funding is provided for one new full-time staff person to take on the responsibility of forecasting the 14 MAA caseloads and to improve the analytical ability to explain deviations from the forecasts.

## Department of Community, Trade, & Economic Development

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>145,442</b>	<b>214,619</b>	<b>360,061</b>
2001 Supplemental *	0	5,000	5,000
<b>Total 1999-01 Biennium</b>	<b>145,442</b>	<b>219,619</b>	<b>365,061</b>
<b>2001-03 Maintenance Level</b>	<b>142,743</b>	<b>211,955</b>	<b>354,698</b>
<b>Policy Changes</b>			
1. Vendor Rate Increase	1,681	0	1,681
2. General Inflation	-223	-88	-311
3. Housing Initiative	0	680	680
4. Transfer SIRTI Funding	-3,496	0	-3,496
5. Protect Archaeological Sites	266	0	266
6. Growth Management Updates	3,000	0	3,000
7. WMS Rural & Environmental Expansion	200	0	200
8. Emergency Food Assistance Program	1,000	0	1,000
9. Energy Facilities Siting Council	0	996	996
10. Displaced Worker Assistance	200	0	200
11. Economic Development Administration	0	0	0
12. Rural Development Council	-34	0	-34
13. Archaeology Grant Funding	0	1,400	1,400
14. QuickSites Initiative	150	0	150
15. King County Public Health	-2,347	0	-2,347
16. Reemployment Support Center	-12	0	-12
17. Developmental Disabilities Endowment	460	113	573
18. WSU Technical Services Agreement	-36	0	-36
19. Foreign Office Contract - Japan	0	0	0
20. Technology Improvements	200	0	200
21. Reduce Washington Technology Center	-394	0	-394
22. SIRTI Reduction	-223	0	-223
23. Visitors Information Centers	-126	0	-126
24. Sexual Assault Legal Advocate	0	880	880
25. Senior Games	45	0	45
26. Youth Shelters	240	0	240
27. Business Retention and Expansion	100	0	100
28. Rural Opportunity Fund	-360	0	-360
29. Mortgage & Rental Assistance	-1,221	0	-1,221
30. Washington State Film Office	144	0	144
31. Business Information Hotline	0	0	0
<b>Total 2001-03 Biennium</b>	<b>141,957</b>	<b>215,936</b>	<b>357,893</b>
Fiscal Year 2002 Total	71,084	109,604	180,688
Fiscal Year 2003 Total	70,873	106,332	177,205

### Comments:

1. **Vendor Rate Increase** - Funding is provided to increase vendor payments by 2.1 percent in FY 2002 and 2.3 percent in FY 2003.
2. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
3. **Housing Initiative** - Funds are provided for low-income housing technical assistance, neighborhood mediation, and the development of an affordable housing guidebook. (Housing Assistance Account)
4. **Transfer SIRTI Funding** - In prior biennia the Office of Community Development (OCD) passed state funds through to the Spokane Intercollegiate Research and Technology Institute (SIRTI) for its operation. This reduction reflects a transfer of appropriation directly to SIRTI.
5. **Protect Archaeological Sites** - Additional funds are provided to the Office of Archaeology and Historic Preservation to investigate claims of vandalism or damage to archaeological sites and to monitor activities relating to archaeological permits.
6. **Growth Management Updates** - Local governments planning under the Growth Management Act are required to

## Department of Community, Trade, & Economic Development

review and/or update their comprehensive plans including critical areas ordinances. Funds are provided as grants to local governments to help pay for the costs to update local critical areas ordinances.

7. **WMS Rural & Environmental Expansion** - Washington Manufacturing Services (WMS) works with Washington-based manufacturers to enhance their competitiveness in the global market place. Additional funding is provided to establish a rural manufacturers assistance program in collaboration with the Economic Development Councils to promote rural economic development in Washington.
8. **Emergency Food Assistance Program** - Funding is provided for infrastructure improvements, such as cold storage, in order to increase the capacity of food distribution centers to transport and store food, especially perishable items.
9. **Energy Facilities Siting Council** - Expenditure authority is provided for fees collected pursuant to Chapter 214, Laws of 2001 (EHB 2247 - State Energy Supply).
10. **Displaced Worker Assistance** - Funding is provided for distribution to community agencies that assist industrial workers who have been displaced by energy-related plant closures. Funds shall be used for the purpose of meeting the displaced workers' basic needs including, but not limited to, emergency medical and dental services, family and mental health counseling, food, energy costs, mortgage, and rental costs.
11. **Economic Development Administration** - Funding for travel for on-site technical assistance to rural communities and funding for staff training in the Economic Development Division is reduced.
12. **Rural Development Council** - The remaining general fund resources for the Rural Development Council are eliminated. The Council will continue to receive federal and local funds which make up the bulk of the current funding.
13. **Archaeology Grant Funding** - The Office of Archaeology and Historic Preservation has received additional federal funds which will be used to increase the grants awarded to local governments. Required matching funds will be from local participation and existing state appropriations. (General Fund-Federal)
14. **QuickSites Initiative** - QuickSites is an economic development program to assist communities in offering development-ready industrial sites to prospective business investors. Funding is provided to establish a database and industry site profiles.
15. **King County Public Health** - In order to consolidate all replacement of local public health funding associated with Initiative 695, funding for King County Public Health is transferred from the Department of Community, Trade, and Economic Development's (DCTED) budget to Special Appropriations to the Governor.
16. **Reemployment Support Center** - Reemployment Support Centers provide counseling and referral services to persons displaced in the timber and salmon industry. The Centers received federal funding through an interagency agreement with the Employment Security Department. General Fund-State funding is eliminated for this program.
17. **Developmental Disabilities Endowment** - Funds are provided for the support of the governing board and for program startup costs. Startup costs are assumed to be a loan from the state general fund and will be repaid from program administrative fees. The governing board may use state appropriations to implement a sliding scale fee waiver for families earning below 150 percent of the state median family income. The director of DCTED may implement fees to support the program as provided under RCW 43.330.152.
18. **WSU Technical Services Agreement** - Funding is reduced for the service contract between the Energy Policy Division and Washington State University (WSU) for technical assistance and support on energy-related issues.
19. **Foreign Office Contract - Japan** - Funding is maintained for the Japan contract for promotion of Washington State and its products.
20. **Technology Improvements** - Funding is provided for information technology enhancements designed to improve the delivery of agency services to customers.
21. **Reduce Washington Technology Center** - Funding is reduced for the Washington Technology Center at the University of Washington. The reduction leaves \$6.17 million in general fund support for the Center through DCTED.
22. **SIRTI Reduction** - Funding for SIRTI is reduced. An appropriation of \$3.496 million from the state general fund is made directly to SIRTI in 2001-03 for support of technology research.
23. **Visitors Information Centers** - Of the 200 visitor information centers in Washington, the state provides funding to six highway information stops. State funding is eliminated for the highway information centers beginning in FY 2003.
24. **Sexual Assault Legal Advocate** - Funds are provided for community-based legal advocates to assist sexual assault victims with both civil and criminal justice issues.
25. **Senior Games** - Funding for the Washington Senior Games is continued for 2002 and 2003. It is anticipated that in future biennia alternative sources of funding will be found to replace state aid.

## Department of Community, Trade, & Economic Development

26. **Youth Shelters** - Funding for licensed youth shelters is continued for 2002 and 2003. It is anticipated that in future biennia alternative sources of funding will be found to replace state aid.
27. **Business Retention and Expansion** - Additional funds are provided for business retention and expansion efforts in rural areas.
28. **Rural Opportunity Fund** - Resources in the Rural Opportunity Fund are redirected for other targeted, economic development expenditures.
29. **Mortgage & Rental Assistance** - The Mortgage and Rental Assistance Program provides money to displaced timber and fishing workers in four counties. This program sunsets on June 30, 2001.
30. **Washington State Film Office** - Ongoing state general funds are provided to replace emergency funds utilized by the program in the 1999-01 biennium.
31. **Business Information Hotline** - Funding for the Business Information Program in the Office of Trade and Economic Development's Business Technical Assistance Unit is continued.

## Economic & Revenue Forecast Council

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>947</b>	<b>0</b>	<b>947</b>
<b>2001-03 Maintenance Level</b>	<b>1,033</b>	<b>0</b>	<b>1,033</b>
<b>Policy Changes</b>			
1. General Inflation	-7	0	-7
<b>Total 2001-03 Biennium</b>	<b>1,026</b>	<b>0</b>	<b>1,026</b>
Fiscal Year 2002 Total	512	0	512
Fiscal Year 2003 Total	514	0	514

**Comments:**

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

## Office of Financial Management

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>25,808</b>	<b>38,455</b>	<b>64,263</b>
2001 Supplemental *	142	288	430
<b>Total 1999-01 Biennium</b>	<b>25,950</b>	<b>38,743</b>	<b>64,693</b>
<b>2001-03 Maintenance Level</b>	<b>24,698</b>	<b>34,950</b>	<b>59,648</b>
<b>Policy Changes</b>			
1. Transfer to Health Care Authority	-208	0	-208
2. Financial Information Systems Pool	0	9,287	9,287
3. Reduction of Expenditures	-504	0	-504
4. Statewide Jail Booking System	0	229	229
5. AmeriCorps Funds	198	600	798
6. Fiscal Analyst Recruitment	296	0	296
7. Head Start Collaboration Project	0	-345	-345
8. Audit of Whistleblower Program	0	25	25
<b>Total 2001-03 Biennium</b>	<b>24,480</b>	<b>44,746</b>	<b>69,226</b>
Fiscal Year 2002 Total	12,456	21,493	33,949
Fiscal Year 2003 Total	12,024	23,253	35,277

### Comments:

1. **Transfer to Health Care Authority** - Funding is shifted from the Office of Financial Management (OFM) to the Health Care Authority for two new positions to staff the Health Care Policy Subcabinet.
2. **Financial Information Systems Pool** - Funding is provided for enhancements to selected financial information systems and technology upgrades as determined by OFM. (Data Processing Revolving Account)
3. **Reduction of Expenditures** - OFM will reduce general fund operating expenditures by approximately 2 percent.
4. **Statewide Jail Booking System** - Funding is provided for OFM to contract with the Washington Association of Sheriffs and Police Chiefs for the maintenance and operation of the statewide jail booking and reporting system. (Violence Reduction and Drug Enforcement Account)
5. **AmeriCorps Funds** - Funding is provided for schools in Seattle and Yakima to initiate recreation projects for at-risk youth, provide tutoring assistance, and oversee homework clubs through the AmeriCorps program. (General Fund-State, General Fund-Federal)
6. **Fiscal Analyst Recruitment** - Funding is provided to OFM to implement a Fiscal Analyst Recruitment Program to increase the pool of people with financial management knowledge, skills, and experience available for middle to upper-level management positions in Washington State government.
7. **Head Start Collaboration Project** - The Head Start Collaboration Project is transferred to the Department of Social and Health Services. (General Fund-Federal)
8. **Audit of Whistleblower Program** - Funding is provided for OFM to contract for one performance audit of the Washington State Employee Whistleblower Program pursuant to RCW 42.40.110. (Auditing Services Revolving Account)

\* Please see the 2001 Supplemental Operating Budget Section for additional information.

## Office of Administrative Hearings

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>0</b>	<b>20,799</b>	<b>20,799</b>
2001 Supplemental *	0	131	131
<b>Total 1999-01 Biennium</b>	<b>0</b>	<b>20,930</b>	<b>20,930</b>
<b>2001-03 Maintenance Level</b>	<b>0</b>	<b>22,027</b>	<b>22,027</b>
<b>Policy Changes</b>			
1. General Inflation	0	-95	-95
2. Purchase Personal Computers	0	56	56
<b>Total 2001-03 Biennium</b>	<b>0</b>	<b>21,988</b>	<b>21,988</b>
Fiscal Year 2002 Total	0	10,951	10,951
Fiscal Year 2003 Total	0	11,037	11,037

**Comments:**

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Administrative Hearings Revolving Account)
2. **Purchase Personal Computers** - Funding is provided to convert personal computer replacement to a three-year replacement cycle using a leasing arrangement with the Office of the State Treasurer. (Administrative Hearings Revolving Account)

\* Please see the 2001 Supplemental Operating Budget Section for additional information.

## Department of Personnel

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>0</b>	<b>33,629</b>	<b>33,629</b>
2001 Supplemental *	0	393	393
<b>Total 1999-01 Biennium</b>	<b>0</b>	<b>34,022</b>	<b>34,022</b>
<b>2001-03 Maintenance Level</b>	<b>0</b>	<b>33,402</b>	<b>33,402</b>
<b>Policy Changes</b>			
1. General Inflation	0	-270	-270
2. Human Resources Systems Project	0	561	561
<b>Total 2001-03 Biennium</b>	<b>0</b>	<b>33,693</b>	<b>33,693</b>
Fiscal Year 2002 Total	0	17,082	17,082
Fiscal Year 2003 Total	0	16,611	16,611

**Comments:**

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Department of Personnel Service Account)
2. **Human Resources Systems Project** - Funding is provided for the Department of Personnel to prepare a Human Resources Business Process, Payroll, and Personnel Systems Detail Requirements and Feasibility Study. Funding will be used to hire information technology and office support staff, to hire a consultant to assist in analyzing business requirements, and to prepare a request for proposals for a new payroll system. (Data Processing Revolving Account)

\* Please see the 2001 Supplemental Operating Budget Section for additional information.



## State Lottery Commission

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1999-01 Expenditure Authority</b>	<b>0</b>	<b>796,297</b>	<b>796,297</b>
<b>2001-03 Maintenance Level</b>	<b>0</b>	<b>763,445</b>	<b>763,445</b>
<b>Policy Changes</b>			
1. General Inflation	0	-283	-283
<b>Total 2001-03 Biennium</b>	<b>0</b>	<b>763,162</b>	<b>763,162</b>
Fiscal Year 2002 Total	0	379,995	379,995
Fiscal Year 2003 Total	0	383,167	383,167

**Comments:**

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

## Washington State Commission on Hispanic Affairs

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>441</b>	<b>0</b>	<b>441</b>
2001 Supplemental *	9	0	9
<b>Total 1999-01 Biennium</b>	<b>450</b>	<b>0</b>	<b>450</b>
<b>2001-03 Maintenance Level</b>	<b>464</b>	<b>0</b>	<b>464</b>
<b>Policy Changes</b>			
1. General Inflation	-4	0	-4
<b>Total 2001-03 Biennium</b>	<b>460</b>	<b>0</b>	<b>460</b>
Fiscal Year 2002 Total	226	0	226
Fiscal Year 2003 Total	234	0	234

**Comments:**

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

\* Please see the 2001 Supplemental Operating Budget Section for additional information.

## Washington State Commission on African-American Affairs

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>378</b>	<b>0</b>	<b>378</b>
2001 Supplemental *	9	0	9
<b>Total 1999-01 Biennium</b>	<b>387</b>	<b>0</b>	<b>387</b>
<b>2001-03 Maintenance Level</b>	<b>422</b>	<b>0</b>	<b>422</b>
<b>Policy Changes</b>			
1. General Inflation	-2	0	-2
<b>Total 2001-03 Biennium</b>	<b>420</b>	<b>0</b>	<b>420</b>
Fiscal Year 2002 Total	211	0	211
Fiscal Year 2003 Total	209	0	209

**Comments:**

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

\* Please see the 2001 Supplemental Operating Budget Section for additional information.

## Personnel Appeals Board

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1999-01 Expenditure Authority</b>	<b>0</b>	<b>1,602</b>	<b>1,602</b>
<b>2001-03 Maintenance Level</b>	<b>0</b>	<b>1,687</b>	<b>1,687</b>
<b>Policy Changes</b>			
1. General Inflation	0	-8	-8
<b>Total 2001-03 Biennium</b>	<b>0</b>	<b>1,679</b>	<b>1,679</b>
Fiscal Year 2002 Total	0	836	836
Fiscal Year 2003 Total	0	843	843

**Comments:**

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Department of Personnel Service Account)

## Department of Retirement Systems

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>0</b>	<b>49,365</b>	<b>49,365</b>
2001 Supplemental *	0	54	54
<b>Total 1999-01 Biennium</b>	<b>0</b>	<b>49,419</b>	<b>49,419</b>
<b>2001-03 Maintenance Level</b>	<b>0</b>	<b>52,301</b>	<b>52,301</b>
<b>Policy Changes</b>			
1. General Inflation	0	-178	-178
2. Locating Entitled Inactive Members	0	120	120
3. Modify Retiree Return-to-Work Rules	0	117	117
4. Implement WSPRS Plan 2	0	440	440
5. LEOFF Plan 1 Survivor Benefits	0	101	101
6. Public Pension Systems	0	100	100
7. LEOFF Plan 1 Restructuring	0	744	744
8. TRS & PERS Retire/Rehire	0	17	17
9. Lapse	0	-845	-845
<b>Total 2001-03 Biennium</b>	<b>0</b>	<b>52,917</b>	<b>52,917</b>
Fiscal Year 2002 Total	0	27,302	27,302
Fiscal Year 2003 Total	0	25,615	25,615

### Comments:

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Department of Retirement Systems Expense Account)
2. **Locating Entitled Inactive Members** - Funding is provided to the Department of Retirement Systems (DRS) to identify and centralize inactive accounts of former retirement system members who have left funds in their accounts. DRS will take administrative steps to attempt to notify the former members of their account balances, in compliance with IRS requirements that members begin receiving distributions no later than after they reach age 70 and one-half. (Department of Retirement Systems Expense Account)
3. **Modify Retiree Return-to-Work Rules** - Funding is provided for DRS to make information system changes to implement the provisions of Chapter 10, Laws of 2001, 2nd sp.s., Partial Veto (ESSB 5937 - Changing Post-Retirement Employment Restrictions) that change the current limits on post-retirement employment for the Teachers' Retirement System (TRS) Plans 1, 2, and 3, the Public Employees' Retirement System (PERS) Plans 1 and 2, and the School Employees' Retirement System Plans 2 and 3. (Department of Retirement Systems Expense Account)
4. **Implement WSPRS Plan 2** - Funding is provided for the implementation of the Washington State Patrol Retirement System (WSPRS) Plan 2, created by Chapter 329, Laws of 2001, Partial Veto (ESB 5143 - Modifying WSPRS Retirement and Survivor Benefits), including modifications to computer systems and program information. (Department of Retirement Systems Expense Account)
5. **LEOFF Plan 1 Survivor Benefits** - Funding is provided to DRS to implement SB 5144 (Law Enforcement Officers' and Fire Fighters' [LEOFF] Plan 1) regarding survivor benefits for spouses of post-retirement marriages to LEOFF Plan 1 retirees. See Lapse item below as SB 5144 was not enacted. (Department of Retirement Systems Expense Account)
6. **Public Pension Systems** - Funding is provided for DRS to assist the Pension Funding Council (PFC) with acquiring actuarial advice as provided by Chapter 11, Laws of 2001, 2nd sp.s., Partial Veto (ESSB 6167 - Public Pension Systems). (Department of Retirement Systems Expense Account)  
  
Due to the Governor's veto of section 18 of ESSB 6167, the Department will not need the appropriation authority provided under this item since the language requiring it to retain actuarial services for the PFC was part of the vetoed section.
7. **LEOFF Plan 1 Restructuring** - Funding is provided for DRS to implement 2ESSB 6166 (LEOFF Plan 1 Restructuring), including development of a comprehensive communications plan to inform all LEOFF Plan 1 active members, retirees, and surviving spouses of the changes to the Plan. Funding is also provided for an application process and for temporary staff to perform service credit audits related to implementation of the bill. See Lapse item below as 2ESSB 6166 was not enacted. (Department of Retirement Systems Account)

## Department of Retirement Systems

8. **TRS & PERS Retire/Rehire** - One-time funding is provided to DRS to adopt rules related to post-retirement employment as provided by Chapter 10, Laws of 2001, 2nd sp.s., Partial Veto (ESSB 5937 - Changing Post-Retirement Employment Restrictions). The amount of \$117,000 for the corresponding information system modifications is provided in the Modify Retiree Return-to-Work Rules item. (Department of Retirement Systems Expense Account)
9. **Lapse** - LEOFF Plan 1 Survivor Benefits - SB 5144 would have required the Department of Retirement Systems to modify member information systems and develop a communications plan to advise members of the new option regarding survivor benefits for spouses of post-retirement marriages to LEOFF Plan 1 retirees. Because the bill was not enacted, the funding will lapse. (Department of Retirement Systems Expense Account)

LEOFF Plan 1 Restructuring - 2ESSB 6166 would have required the Department of Retirement Systems to develop a comprehensive communications plan to inform all LEOFF Plan 1 active members, retirees, and surviving spouses of changes to the plan, and perform service credit audits related to implementation of the bill. Because the bill was not enacted, the funding will lapse. (Department of Retirement Systems Expense Account)

\* Please see the 2001 Supplemental Operating Budget Section for additional information.

## State Investment Board

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>0</b>	<b>11,137</b>	<b>11,137</b>
<b>2001-03 Maintenance Level</b>	<b>0</b>	<b>12,486</b>	<b>12,486</b>
<b>Policy Changes</b>			
1. General Inflation	0	-24	-24
2. New Leased Facility	0	97	97
3. Private Equity Transaction Mgmt	0	317	317
<b>Total 2001-03 Biennium</b>	<b>0</b>	<b>12,876</b>	<b>12,876</b>
Fiscal Year 2002 Total	0	6,422	6,422
Fiscal Year 2003 Total	0	6,454	6,454

**Comments:**

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (State Investment Board Expense Account)
2. **New Leased Facility** - One-time funding is provided for the State Investment Board (SIB) to contract with the Department of General Administration to pursue a Request For Proposal process and other leasing issues which may ensue, up to, but not including, the signing of a lease. Funding for proposed lease rate increases, space increases, and moving and equipment costs will be reviewed in the 2002 Supplemental Budget process when costs and options are better identified. (State Investment Board Expense Account)
3. **Private Equity Transaction Mgmt** - Funding is provided for SIB to hire two additional staff to perform private equity investment related duties, which will include daily accounting and reporting, legal review, and financial statement review. The two staff will work with a new private equity consultant. The new staff and consultant replace a prior consulting contract, at a savings of \$1.7 million. (State Investment Board Expense Account)

## Department of Revenue

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>138,169</b>	<b>9,917</b>	<b>148,086</b>
2001 Supplemental *	-1,015	0	-1,015
<b>Total 1999-01 Biennium</b>	<b>137,154</b>	<b>9,917</b>	<b>147,071</b>
<b>2001-03 Maintenance Level</b>	<b>144,197</b>	<b>10,297</b>	<b>154,494</b>
<b>Policy Changes</b>			
1. General Inflation	-429	-6	-435
2. Efficiency Savings	-609	0	-609
3. Tax Collections - DOL/Customs	300	0	300
4. Tax Collections - Contract Auditors	1,430	0	1,430
5. Tax Structure Study	318	0	318
<b>Total 2001-03 Biennium</b>	<b>145,207</b>	<b>10,291</b>	<b>155,498</b>
Fiscal Year 2002 Total	72,820	5,149	77,969
Fiscal Year 2003 Total	72,387	5,142	77,529

### Comments:

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, Other Funds)
2. **Efficiency Savings** - The Department of Revenue (DOR) has achieved efficiencies through implementation of information technology projects and process improvements. Staff positions have been eliminated as a result of the document imaging project for excise tax returns and process improvements within the Miscellaneous Tax Section. Further planned efficiencies include the revision of the Local Tax Distribution System and quality review of the Audit Standard and Procedures work processes. The Aberdeen Field Office will be closed and alternate service delivery methods will be employed to assist customers. (General Fund-State)
3. **Tax Collections - DOL/Customs** - Funding is provided for DOR's plan to better utilize the Department of Licensing (DOL) vehicle licensing system and its own automated collection system to improve collections of taxes due on recreational vehicles and vessels. Funding is also provided to increase enforcement of use tax collections through the U.S. Customs. Funding is provided to shift audit effort to put a higher emphasis on tax discovery and high dollar accounts. These tax compliance efforts are expected to generate an additional \$15 million General Fund-State during the biennium and an additional \$2.2 million for local governments. (General Fund-State)
4. **Tax Collections - Contract Auditors** - Additional out-of-state independent contractors will be hired to perform audits of businesses that conduct operations in Washington, but are located out-of-state. This will generate an additional \$12.8 million in general fund revenue for the biennium and an additional \$1.9 million for local governments. (General Fund-State)
5. **Tax Structure Study** - Funding is provided for the costs of conducting the Tax Structure Study. DOR is directed to create a Committee on Taxation to study the elasticity, equity, and adequacy of the state's tax system. The Committee is to determine how well the current tax system functions and how it might be changed to better serve the citizens of the state in the 21st century. The Committee must develop multiple alternatives to the existing tax system designed to increase the harmony between the tax system of this state and the surrounding states, encourage commerce and business creation, and encourage home ownership. (General Fund-State)

\* Please see the 2001 Supplemental Operating Budget Section for additional information.



## Board of Tax Appeals

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>1,856</b>	<b>0</b>	<b>1,856</b>
<b>2001-03 Maintenance Level</b>	<b>2,138</b>	<b>0</b>	<b>2,138</b>
<b>Policy Changes</b>			
1. General Inflation	-5	0	-5
2. Tax Referee Funding	60	0	60
3. Seattle Hearing Room Relocation	38	0	38
<b>Total 2001-03 Biennium</b>	<b>2,231</b>	<b>0</b>	<b>2,231</b>
Fiscal Year 2002 Total	1,193	0	1,193
Fiscal Year 2003 Total	1,038	0	1,038

**Comments:**

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
2. **Tax Referee Funding** - Funding is provided for a part-time tax referee position to be increased to full-time. This staff person will provide assistance on cases involving complex legal issues.
3. **Seattle Hearing Room Relocation** - Funding is provided to relocate the Seattle hearing room. Funding is also provided for information technology improvements to provide communication access between the Seattle hearing room and the Board's office in Olympia.

## Municipal Research Council

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>1,766</b>	<b>2,380</b>	<b>4,146</b>
<b>2001-03 Maintenance Level</b>	<b>0</b>	<b>4,264</b>	<b>4,264</b>
<b>Policy Changes</b>			
1. Compensation Adjustment	0	317	317
2. Agency Relocation	0	130	130
3. General Inflation	0	-136	-136
<b>Total 2001-03 Biennium</b>	<b>0</b>	<b>4,575</b>	<b>4,575</b>
Fiscal Year 2002 Total	0	2,184	2,184
Fiscal Year 2003 Total	0	2,391	2,391

**Comments:**

1. **Compensation Adjustment** - Funds are provided for cost-of-living adjustments and recruitment and retention issues for contractual staff. (County Research Services Account, City and Town Research Services Account)
2. **Agency Relocation** - The current lease agreement expires July 31, 2002, and new space is being solicited. Funds are provided for increased lease rates and one-time moving costs. (County Research Services Account, City and Town Research Services Account)
3. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (County Research Services Account, City and Town Research Services Account)

## Office of Minority & Women's Business Enterprises

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1999-01 Expenditure Authority</b>	<b>0</b>	<b>2,546</b>	<b>2,546</b>
<b>2001-03 Maintenance Level</b>	<b>0</b>	<b>2,412</b>	<b>2,412</b>
<b>Policy Changes</b>			
1. Management & Tracking System	0	204	204
<b>Total 2001-03 Biennium</b>	<b>0</b>	<b>2,616</b>	<b>2,616</b>
Fiscal Year 2002 Total	0	1,306	1,306
Fiscal Year 2003 Total	0	1,310	1,310

**Comments:**

1. **Management & Tracking System** - Funding is provided for a Contract Management and Tracking System that will provide comprehensive data on the state's contracting and procurement activities. (Minority and Women's Business Enterprises Account)

## Department of General Administration

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>901</b>	<b>126,504</b>	<b>127,405</b>
<b>2001-03 Maintenance Level</b>	<b>1,181</b>	<b>130,151</b>	<b>131,332</b>
<b>Policy Changes</b>			
1. General Inflation	-2	-987	-989
2. Capitol Facilities Maintenance	0	344	344
3. Transfer of Property Management	0	-1,372	-1,372
4. Service Based Funding on New Leases	0	0	0
5. Procurement Contract Management	0	0	0
6. Claims Database Management	0	60	60
7. The Ultimate Purchasing System	0	3,411	3,411
8. Consolidate Energy Programs	0	243	243
<b>Total 2001-03 Biennium</b>	<b>1,179</b>	<b>131,850</b>	<b>133,029</b>
Fiscal Year 2002 Total	549	66,414	66,963
Fiscal Year 2003 Total	630	65,436	66,066

### Comments:

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Administration Services Account)
2. **Capitol Facilities Maintenance** - Funding is provided to improve Capitol Campus maintenance. A fire/safety and insulation specialist is added to perform preventive maintenance on fire suppression systems and asbestos abatement. A Capitol Campus Building Exterior Maintenance Program is initiated to maintain all brick, cement, and sandstone building exteriors. (General Administration Services Account)
3. **Transfer of Property Management** - Property management of the Washington State Training and Conference Center is transferred from the Department of General Administration to the Criminal Justice Training Commission per Chapter 166, Laws of 2001 (HB 1066). (General Administration Services Account-Non-Appropriated)
4. **Service Based Funding on New Leases** - The methodology used by the Division of Real Estate Services to charge its clients for new leases is changed from a cost allocation basis to a fee for actual services performed basis. The new cost recovery method is based upon actual services provided to the client agencies to procure new leases. (General Administration Services Account-State, General Administration Services Account-Non-Appropriated)
5. **Procurement Contract Management** - As provided in Chapter 292, Laws of 2001 (SSB 5474), the Procurement Contract Administration (PCA) funding is changed from appropriated to non-appropriated status. (General Administration Services Account-State, General Administration Services Account-Non-Appropriated)
6. **Claims Database Management** - Additional funds are provided to link the State Attorney General's Office and the State Office of Risk Management for tort claims administration and claims payments. (General Administration Services Account)
7. **The Ultimate Purchasing System** - In the 1999-01 biennium, the Department initiated an electronic procurement system, The Ultimate Purchasing System (TUPS). This system streamlines purchasing processes from product request through payment. Additional funding is provided for the 2001-03 biennium for three FTE staff and ongoing goods and services to directly support the implementation of TUPS. Funds are also provided to develop cross-operability between the Office of Procurement's contract management system and TUPS and between Central Stores' warehouse management system and TUPS. (General Administration Services Account-Non-Appropriated)
8. **Consolidate Energy Programs** - Activities for the Energy Program have been funded through two accounts: the Energy Efficiency Services Account on an appropriated basis and the General Administration Services Account on a non-appropriated basis. Per Chapter 292, Laws of 2001 (SSB 5474), the Energy Efficiency Services Account is eliminated and all funding for the Energy Program is consolidated in the General Administration Services Account. In addition, 1.3 FTE positions are transferred from the Capital Budget to the Operating Budget. (General Administration Services Account-Non-Appropriated, Energy Efficiency Services Account)

## Department of Information Services

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>0</b>	<b>216,173</b>	<b>216,173</b>
<b>2001-03 Maintenance Level</b>	<b>0</b>	<b>209,188</b>	<b>209,188</b>
<b>Policy Changes</b>			
1. General Inflation	0	-649	-649
2. K-20 Network Private Colleges	0	804	804
3. K-20 Network Private K-12 Schools	0	145	145
<b>Total 2001-03 Biennium</b>	<b>0</b>	<b>209,488</b>	<b>209,488</b>
Fiscal Year 2002 Total	0	104,801	104,801
Fiscal Year 2003 Total	0	104,687	104,687

**Comments:**

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Data Processing Revolving Account)
2. **K-20 Network Private Colleges** - The 15 independent private, nonprofit colleges, located in Washington State, have requested connection to the K-20 Educational Telecommunications Network in order to partner with the state's four-year and two-year colleges. Connections will provide the private institutions with the bandwidth to communicate and share educational materials and research with all public educational sectors. These K-20 connections will be provided to the private schools on a full cost reimbursement basis, net of the value of services and information provided by the private institutions based on criteria approved by the K-20 Board. (Education Technology Revolving Account-Non-Appropriated)
3. **K-20 Network Private K-12 Schools** - Some private K-12 schools have requested limited "pilot connections" to the K-20 Network to test the technical and economic feasibility of one or more connection models. These K-20 connections will be provided to the private K-12 schools on a full cost reimbursement basis, net of the value of services and information provided by the private K-12 schools based on criteria approved by the K-20 Board. (Education Technology Revolving Account-Non-Appropriated)

## Office of the Insurance Commissioner

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>0</b>	<b>25,670</b>	<b>25,670</b>
<b>2001-03 Maintenance Level</b>	<b>0</b>	<b>26,695</b>	<b>26,695</b>
<b>Policy Changes</b>			
1. General Inflation	0	-104	-104
2. Consumer Advocacy Workload	0	132	132
3. Monitor Auxiliary Lines Companies	0	821	821
4. Third-Party Administrators	0	45	45
5. Holding Companies	0	164	164
6. Access to Insurance Information	0	409	409
7. Insurance e-Commerce Regulation	0	184	184
8. Insurance Examiner Salaries	0	412	412
9. Consolidation and Co-Location Costs	0	693	693
10. HelpLine Volunteer Network	0	224	224
<b>Total 2001-03 Biennium</b>	<b>0</b>	<b>29,675</b>	<b>29,675</b>
Fiscal Year 2002 Total	0	14,804	14,804
Fiscal Year 2003 Total	0	14,871	14,871

### Comments:

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
2. **Consumer Advocacy Workload** - An increase in insurance inquiries and complaints from the public have increased the workload in the Consumer Advocacy Division. Funding is provided for one staff position to be added to the Consumer Advocacy Division. (Insurance Commissioner's Regulatory Account)
3. **Monitor Auxiliary Lines Companies** - Funding is provided for examination and financial analysis of auxiliary line companies. (Insurance Commissioner's Regulatory Account)
4. **Third-Party Administrators** - Funding is provided for a study of the use and possible regulation of third-party administrators. (Insurance Commissioner's Regulatory Account)
5. **Holding Companies** - Funding is provided to implement Chapter 179, Laws of 2001 (SHB 1792), which creates a holding company act for health care service contractors and health maintenance organizations. (Insurance Commissioner's Regulatory Account)
6. **Access to Insurance Information** - Funding is provided to facilitate direct access to a variety of insurance information, including ratings, complaint data, and company profiles via the Internet. Funding will also be used to address increased internal agency demands for information service support functions. (Insurance Commissioner's Regulatory Account)
7. **Insurance e-Commerce Regulation** - Funding is provided to allow the Office of the Insurance Commissioner to work with industry representatives, the National Association of Insurance Commissioners, and stakeholders to recommend changes to the insurance code that would allow the industry to use the Internet to conduct business, address electronic commerce issues, and maintain consumer protection. (Insurance Commissioner's Regulatory Account)
8. **Insurance Examiner Salaries** - Funding is provided for salary reclassifications for insurance examiners. (Insurance Commissioner's Regulatory Account)
9. **Consolidation and Co-Location Costs** - Funds are provided to consolidate and renovate facilities for the co-location of Olympia-area staff of the Office of the Insurance Commissioner. The actual expenditure level, within this appropriation, shall be determined jointly with the Department of General Administration. (Insurance Commissioner's Regulatory Account)
10. **HelpLine Volunteer Network** - State Health Insurance Benefits Advisors (SHIBA) HelpLine volunteers serve consumers statewide. Additional funding is provided for 25 sponsoring organizations to continue coordination and administration of the SHIBA volunteer and community networks. (Insurance Commissioner's Regulatory Account)

## State Board of Accountancy

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>0</b>	<b>1,254</b>	<b>1,254</b>
<b>2001-03 Maintenance Level</b>	<b>0</b>	<b>1,371</b>	<b>1,371</b>
<b>Policy Changes</b>			
1. General Inflation	0	-10	-10
2. Revise Public Accountancy Act	0	355	355
<b>Total 2001-03 Biennium</b>	<b>0</b>	<b>1,716</b>	<b>1,716</b>
Fiscal Year 2002 Total	0	920	920
Fiscal Year 2003 Total	0	796	796

**Comments:**

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Certified Public Accountants' Account)
2. **Revise Public Accountancy Act** - Funding is provided for the Board of Accountancy to conduct rulemakings, set license fees, and distribute consumer alert/public protection information in accordance with Chapter 294, Laws of 2001 (E2SSB 5593). (Certified Public Accountants' Account)

## Forensic Investigations Council

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>0</b>	<b>272</b>	<b>272</b>
<b>2001-03 Maintenance Level</b>	<b>0</b>	<b>276</b>	<b>276</b>
<b>Total 2001-03 Biennium</b>	<b>0</b>	<b>276</b>	<b>276</b>
Fiscal Year 2002 Total	0	263	263
Fiscal Year 2003 Total	0	13	13

**Comments:**

No budget changes were recommended which reflect a change in statute or agency policy.



## Washington Horse Racing Commission

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>0</b>	<b>4,579</b>	<b>4,579</b>
<b>2001-03 Maintenance Level</b>	<b>0</b>	<b>4,518</b>	<b>4,518</b>
<b>Policy Changes</b>			
1. General Inflation	0	-14	-14
<b>Total 2001-03 Biennium</b>	<b>0</b>	<b>4,504</b>	<b>4,504</b>
Fiscal Year 2002 Total	0	2,252	2,252
Fiscal Year 2003 Total	0	2,252	2,252

**Comments:**

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Horse Racing Commission Account)

# Washington State Liquor Control Board

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>2,577</b>	<b>139,412</b>	<b>141,989</b>
2001 Supplemental *	242	4,135	4,377
<b>Total 1999-01 Biennium</b>	<b>2,819</b>	<b>143,547</b>	<b>146,366</b>
<b>2001-03 Maintenance Level</b>	<b>2,975</b>	<b>143,811</b>	<b>146,786</b>
<b>Policy Changes</b>			
1. General Inflation	-8	-271	-279
2. Merchandising Business System	0	4,803	4,803
3. Regional Wholesale Center	0	260	260
4. Transition Training	0	108	108
5. Aged Vehicle Replacement	0	556	556
6. Provide Quality Enforcement	0	67	67
7. Agency Commission Increase	0	928	928
<b>Total 2001-03 Biennium</b>	<b>2,967</b>	<b>150,262</b>	<b>153,229</b>
Fiscal Year 2002 Total	1,483	77,836	79,319
Fiscal Year 2003 Total	1,484	72,426	73,910

## Comments:

- General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, Liquor Revolving Account)
- Merchandising Business System** - Funding is provided for a new Merchandising Business System and data marts that will link merchandising, distribution center activities, and financial activities into a fully-automated retail system. (Liquor Revolving Account-State)
- Regional Wholesale Center** - Funding is provided for the establishment of a regional wholesale center in Seattle's Store 101. Retail operations and sales will continue at Store 101, but the Store Development Program will be relocated to free up space for the establishment of a wholesale center. (Liquor Revolving Account-State)
- Transition Training** - One-time funding is provided for employees within the Board's Information Technology Services Division to receive training in client-server and web-based technology platforms. The Board is transitioning from a mainframe to a client-server platform with web-enabled applications for e-commerce purposes using current technologies. (Liquor Revolving Account-State)
- Aged Vehicle Replacement** - One-time funding is provided for the replacement of 32 vehicles when they reach five years and/or 100,000 miles of service. (Liquor Revolving Account-State)
- Provide Quality Enforcement** - One-time funding is provided for all enforcement staff to undergo two-day community policing training tailored to liquor enforcement. Eight enforcement officers will receive an additional one-day community policing training session designed to prepare them to serve as instructors. (Liquor Revolving Account-State)
- Agency Commission Increase** - Funding is provided for increased commissions, paid to agency liquor vendor stores, to reflect a rate increase of 6 percent. Retail sale of liquor is managed through 157 state-run agency stores and 157 independently-owned agencies that contract to sell liquor. Agency store owners are paid a commission, a portion of which is based upon liquor sales. Currently, sales up to \$10,500 generate 20.914 percent commissions; sales from \$10,500 to \$21,000 generate 7.315 percent commissions; and sales over \$21,000 generate 5.683 percent commissions for agency liquor vendor store owners. The agency liquor vendor store commission rate has not been increased since 1996. (Liquor Revolving Account-State)

\* Please see the 2001 Supplemental Operating Budget Section for additional information.

## Utilities and Transportation Commission

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>0</b>	<b>27,418</b>	<b>27,418</b>
<b>2001-03 Maintenance Level</b>	<b>0</b>	<b>28,786</b>	<b>28,786</b>
<b>Policy Changes</b>			
1. Cost Accounting System	0	170	170
2. Transportation Process Study	0	134	134
3. Pipeline Safety Program	0	1,962	1,962
4. General Inflation	0	-111	-111
5. Pipeline Safety Program Review	0	294	294
<b>Total 2001-03 Biennium</b>	<b>0</b>	<b>31,235</b>	<b>31,235</b>
Fiscal Year 2002 Total	0	15,638	15,638
Fiscal Year 2003 Total	0	15,597	15,597

### Comments:

1. **Cost Accounting System** - Funding is provided for a consultant to study the agency's requirements for regulatory and financial information. The study will include recommendations for integration with existing statewide applications and development of a new application. The new cost accounting system will be implemented following completion of the study. (Public Service Revolving Account)
2. **Transportation Process Study** - Funding is provided for an additional staff person to perform a study of the business processes in the transportation programs and to support development of a new application in the second year of the biennium. (Public Service Revolving Account)
3. **Pipeline Safety Program** - Funding is provided for a Pipeline Safety Program in Washington. With passage of the Washington Pipeline Safety Act 2000, the Commission has taken on additional responsibilities, including interstate pipeline inspection. In July 2000, the Commission signed an agreement with the Federal Office of Pipeline Safety authorizing state inspectors to inspect interstate natural gas and hazardous liquid pipelines. The 2000 Legislature provided funding to implement interstate pipeline safety activities and directed the Commission to develop a proposal to collect a fee from the regulated industries to cover the costs of interstate pipeline safety regulation in the future. This program is supported by the fees that are deposited into the Pipeline Safety Account as directed by Chapter 238, Laws of 2001 (SSB 5182 - Pipeline Safety). (Pipeline Safety Account-State, Pipeline Safety Account-Federal)
4. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Public Service Revolving Account)
5. **Pipeline Safety Program Review** - One-time funding is provided for an interagency agreement with the Joint Legislative Audit and Review Committee for a review of

staff use, inspection activity, fee methodology, and costs of the hazardous liquid and gas pipeline safety programs. (Pipeline Safety Account-State)

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the Utilities and Transportation Commission's budget is shown in the Transportation Budget Section of this document.

**Board for Volunteer Firefighters**

(Dollars in Thousands)

	<b>GF-S</b>	<b>Other</b>	<b>Total</b>
<b>1999-01 Expenditure Authority</b>	<b>0</b>	<b>573</b>	<b>573</b>
<b>2001-03 Maintenance Level</b>	<b>0</b>	<b>568</b>	<b>568</b>
<b>Policy Changes</b>			
1. General Inflation	0	-2	-2
2. Internet Website	0	3	3
<b>Total 2001-03 Biennium</b>	<b>0</b>	<b>569</b>	<b>569</b>
Fiscal Year 2002 Total	0	280	280
Fiscal Year 2003 Total	0	289	289

**Comments:**

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Volunteer Firefighters' and Reserve Officers' Administrative Account)
2. **Internet Website** - Funding is provided for the agency to develop an Internet website that allows volunteer firefighters and fire departments better access to information, report forms, and e-mail. (Volunteer Firefighters' and Reserve Officers' Administrative Account)

## Military Department

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>22,233</b>	<b>99,034</b>	<b>121,267</b>
2001 Supplemental *	3,304	10,230	13,534
<b>Total 1999-01 Biennium</b>	<b>25,537</b>	<b>109,264</b>	<b>134,801</b>
<b>2001-03 Maintenance Level</b>	<b>17,993</b>	<b>43,815</b>	<b>61,808</b>
<b>Policy Changes</b>			
1. General Inflation	-115	-179	-294
2. Information Technology Staff	183	0	183
3. Yakima Armory Support	128	0	128
4. Caretaker Support	125	0	125
5. Reduce Emergency Mgmt Training	-36	-18	-54
6. Reduce Maintenance of Armories	-230	0	-230
7. Reduction in Maintenance and Repair	-24	-74	-98
8. Earthquake Response and Recovery	0	195,679	195,679
9. Emergency Management Compact	120	0	120
<b>Total 2001-03 Biennium</b>	<b>18,144</b>	<b>239,223</b>	<b>257,367</b>
Fiscal Year 2002 Total	9,165	121,879	131,044
Fiscal Year 2003 Total	8,979	117,344	126,323

### Comments:

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, Other Funds)
2. **Information Technology Staff** - Funding is provided for the Military Department to hire an additional information technology staff person to improve the coordination and integration of their information technology activities. The Department currently has three distinct, federally-funded information technology networks that are responsible for the Army National Guard, the Air National Guard, and the Emergency Management Network for state emergencies.
3. **Yakima Armory Support** - Funding is provided for maintenance and operating costs of the new Army National Guard Readiness Center in Yakima, which is planned to open in August 2001.
4. **Caretaker Support** - Currently, the Army National Guard armories are cleaned once each month by Army National Guard soldiers. Funding is provided for contracted janitorial services at 30 armories across the state.
5. **Reduce Emergency Mgmt Training** - The Emergency Management Division of the Military Department will reduce travel reimbursements to approximately 250 students of general emergency management and search and rescue training.
6. **Reduce Maintenance of Armories** - Maintenance and operations expenditures of armories is reduced.
7. **Reduction in Maintenance and Repair** - The Air National Guard of the Military Department will reduce maintenance and repair staff by one position. (General Fund-State, General Fund-Federal)
8. **Earthquake Response and Recovery** - A total of \$195.7 million in state and federal funding is provided for costs associated with the response and recovery activities as a result of the February 28, 2001, earthquake. The funding provided is sufficient to cover the entire state match for state agency costs and one-half of the local match required for Federal Emergency Management Agency reimbursement. Of the Nisqually Earthquake Account-Federal amount, \$157.8 million is provided for the damage to state agencies and local entities. Of the Nisqually Earthquake Account-State amount, \$23.1 million is provided for the damage to state agencies and \$14.8 million is provided for one-half of the match requirements for local entities.  
  
In separate legislation (Chapter 5, Laws of 2001 [HB 2222], Chapter 117, Laws of 2001, [SHB 1314], and Chapter 26, Laws of 2001, 2nd sp.s. [HB 2258]), a total of \$77.3 million is transferred from the Emergency Reserve Fund to the Nisqually Earthquake Account. (Nisqually Earthquake Account-State, Nisqually Earthquake Account-Federal, Emergency Reserve Account)
9. **Emergency Management Compact** - Chapter 288, Laws of 2001 (SB 5256), authorizes the Military Department to enter into interstate compacts for mutual aid during disasters or emergencies. One-time funding is provided for a staff position to assist with the development of these agreements.

\* Please see the 2001 Supplemental Operating Budget Section for additional information.

## Public Employment Relations Commission

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>4,066</b>	<b>0</b>	<b>4,066</b>
<b>2001-03 Maintenance Level</b>	<b>4,299</b>	<b>0</b>	<b>4,299</b>
<b>Policy Changes</b>			
1. General Inflation	-13	0	-13
2. Office Space Increase	32	0	32
<b>Total 2001-03 Biennium</b>	<b>4,318</b>	<b>0</b>	<b>4,318</b>
Fiscal Year 2002 Total	2,154	0	2,154
Fiscal Year 2003 Total	2,164	0	2,164

**Comments:**

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
2. **Office Space Increase** - Funding is provided for an increase in square footage in the Olympia office.

## Growth Management Hearings Board

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>2,799</b>	<b>0</b>	<b>2,799</b>
<b>2001-03 Maintenance Level</b>	<b>3,014</b>	<b>0</b>	<b>3,014</b>
<b>Policy Changes</b>			
1. General Inflation	-11	0	-11
<b>Total 2001-03 Biennium</b>	<b>3,003</b>	<b>0</b>	<b>3,003</b>
Fiscal Year 2002 Total	1,497	0	1,497
Fiscal Year 2003 Total	1,506	0	1,506

**Comments:**

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

## State Convention and Trade Center

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1999-01 Expenditure Authority</b>	<b>0</b>	<b>32,434</b>	<b>32,434</b>
<b>2001-03 Maintenance Level</b>	<b>0</b>	<b>67,734</b>	<b>67,734</b>
<b>Total 2001-03 Biennium</b>	<b>0</b>	<b>67,734</b>	<b>67,734</b>
Fiscal Year 2002 Total	0	33,171	33,171
Fiscal Year 2003 Total	0	34,563	34,563

***Comments:***

No budget changes were recommended which reflect a change in statute or agency policy.



## Department of Financial Institutions

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>0</b>	<b>20,359</b>	<b>20,359</b>
<b>2001-03 Maintenance Level</b>	<b>0</b>	<b>21,472</b>	<b>21,472</b>
<b>Policy Changes</b>			
1. General Inflation	0	-90	-90
2. Application Development	0	495	495
3. Broker-Dealer Field Examinations	0	245	245
4. Internet Fraud Program	0	159	159
5. Senior Examiner, Credit Unions	0	90	90
6. Office Assistant, Human Resources	0	85	85
7. Consumer Complaints & Enforcements	0	450	450
8. Electronic Banking Exams	0	212	212
9. Internet & Intranet Development	0	462	462
10. Financial Literacy	0	196	196
11. Fund Consolidation	0	0	0
<b>Total 2001-03 Biennium</b>	<b>0</b>	<b>23,776</b>	<b>23,776</b>
Fiscal Year 2002 Total	0	11,863	11,863
Fiscal Year 2003 Total	0	11,913	11,913

### Comments:

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Banking Examination Account-Non-Appropriated, Credit Unions Examination Account-Non-Appropriated, Securities Regulation Account)
2. **Application Development** - Funding is provided for Phase II of the Department's Database of Licensed Financial Institutions system (DOLFIN). Phase II will develop a comprehensive regulatory database for the storage, retrieval, analysis, and tracking of regulatory information. Phase I was implemented in the 1999-01 biennium. (Banking Examination Account-Non-Appropriated, Securities Regulation Account)
3. **Broker-Dealer Field Examinations** - Funding is provided for the addition of one field examiner and the development of a database module to help target high risk broker-dealer offices. The cycle for examination of securities broker-dealer offices will be reduced from ten years to nine years by the end of the biennium and the examination cycle of high-risk securities offices will be increased. (Securities Regulation Account)
4. **Internet Fraud Program** - Funding is provided for the Securities Division to create an Internet Fraud Program staffed by a technology specialist to respond to the increasing number of complaints of investment fraud on the Internet. The Division will implement the program in FY 2002. (Securities Regulation Account)
5. **Senior Examiner, Credit Unions** - Funding is provided to increase a part-time senior examiner position to full time. The Division of Credit Unions (DCU) implemented a stronger off-site monitoring program in FY 1999 to detect negative financial trends and to undertake earlier review of the status of the DCU-required corrective actions of regulated credit unions. The senior examiner will also assist with credit union field examinations and consumer complaint resolution. (Credit Unions Examination Account-Non-Appropriated)
6. **Office Assistant, Human Resources** - Funding is provided for an Office Assistant in the Department's Human Resources Office to provide services that directly support new strategic plan objectives. (Banking Examination Account-Non-Appropriated, Credit Unions Examination Account-Non-Appropriated, Securities Regulation Account)
7. **Consumer Complaints & Enforcements** - Funding is provided for three new positions, two new Financial Examiner positions and a Securities Examiner position. The new Financial Examiners will conduct examinations and audits of consumer loan companies, check cashiers and sellers (some with "payday lender" small loan endorsements), and escrow agents, allowing the Division of Consumer Services to maintain a reasonable examination schedule and visit all new licensees within the first six months of operation. The Securities Examiner position will provide legal expertise in the conduct of complaint investigations, enforcement actions and in the development of interpretive letters for the Department. (Banking Examination Account-Non-Appropriated)
8. **Electronic Banking Exams** - Funding is provided to allow the DCU to enter into a personal service contract to conduct information systems and electronic-banking examinations of credit unions. The DCU cannot rely on its federal counterpart, the National Credit Union Administration

## Department of Financial Institutions

(NCUA), to examine e-banking activities by Washington State credit unions as NCUA has no clear implementation date for an effective e-banking examination. (Credit Unions Examination Account-Non-Appropriated)

9. **Internet & Intranet Development** - Funding is provided for one Web Programmer/Analyst position and for personal services contract(s) to support the Department's intranet efforts and the different divisions' Internet information delivery requirements to their stakeholders and clients. (Banking Examination Account-Non-Appropriated, Credit Unions Examination Account-Non-Appropriated, Securities Regulation Account)
10. **Financial Literacy** - Funding is provided for the temporary financial literacy position to be promoted to a permanent position. This staff position ensures the continuation of the financial literacy assistance program. The Department helps Washington consumers avoid scams and fraud and provides advice to consumers on how to protect themselves in a broad range of financial transactions. (Banking Examination Account-Non-Appropriated, Credit Unions Examination Account-Non-Appropriated, Securities Regulation Account)
11. **Fund Consolidation** - The Department's three funds (Banking Examination Fund-Non-Appropriated, Credit Union Examination Fund-Non-Appropriated, and Securities Regulation Fund-Appropriated) are consolidated into a single dedicated and non-appropriated fund, the Financial Services Regulation Fund. The purpose of this consolidation is to provide the Department with the flexibility to employ its staff to perform regulatory activities across all financial institutions. This new funding framework will allow the Department to develop, train, and fund cross-division teams that have the capacity to regulate all financial institutions. (Financial Services Regulation Fund)

## Washington State Gambling Commission

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>0</b>	<b>27,630</b>	<b>27,630</b>
<b>2001-03 Maintenance Level</b>	<b>0</b>	<b>29,536</b>	<b>29,536</b>
<b>Policy Changes</b>			
1. General Inflation	0	-207	-207
2. Web-Based Services	0	234	234
3. Efficiency through Technology	0	180	180
4. Renton Field Office	0	60	60
<b>Total 2001-03 Biennium</b>	<b>0</b>	<b>29,803</b>	<b>29,803</b>
Fiscal Year 2002 Total	0	14,807	14,807
Fiscal Year 2003 Total	0	14,996	14,996

**Comments:**

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Gambling Revolving Account-Non-Appropriated)
2. **Web-Based Services** - Funding is provided for expansion of the agency's website to provide easy access to a wide variety of information on gambling regulation. Application and licensee reporting forms will be migrated to web-based electronic processes; and electronic fund transfer capability for amounts due the agency will be established. Paper forms for those without web access will be redesigned so they are machine-readable for electronic processing. (Gambling Revolving Account-Non-Appropriated)
3. **Efficiency through Technology** - One-time funding is provided to obtain software to implement a central case reporting system, and ongoing funds are provided for an annual maintenance contract. One-time funds are also provided for setup costs to develop a digital photo identification system. (Gambling Revolving Account-Non-Appropriated)
4. **Renton Field Office** - Funding is provided for the establishment of a field office in Renton for agents responsible for overseeing licensees located in south King County. This will increase the amount of time available for on-site inspection and investigation activities by reducing time spent commuting from the current office in Lynnwood. (Gambling Revolving Account-Non-Appropriated)



# Human Services

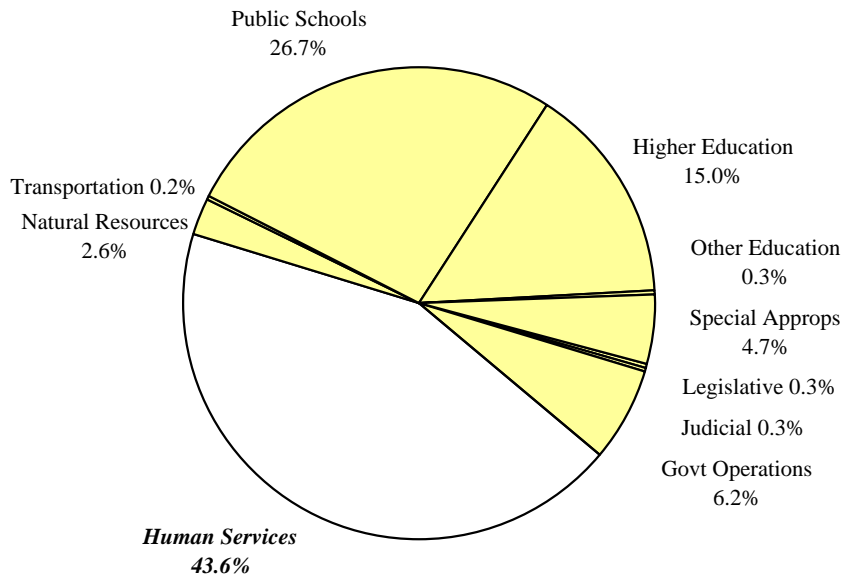
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The Human Services section is separated into two sections: the Department of Social and Health Services (DSHS) and Other Human Services. The DSHS budget is displayed by program division in order to better describe the costs of particular services provided by the Department. The Other Human Services section displays budgets at the departmental level, and includes the Department of Corrections, the Department of Labor and Industries, the Employment Security Department, the Health Care Authority, the Department of Health, and other human services related agencies.

**2001-03 Washington State Operating Budget**  
**Total Budgeted Funds**  
(Dollars in Thousands)

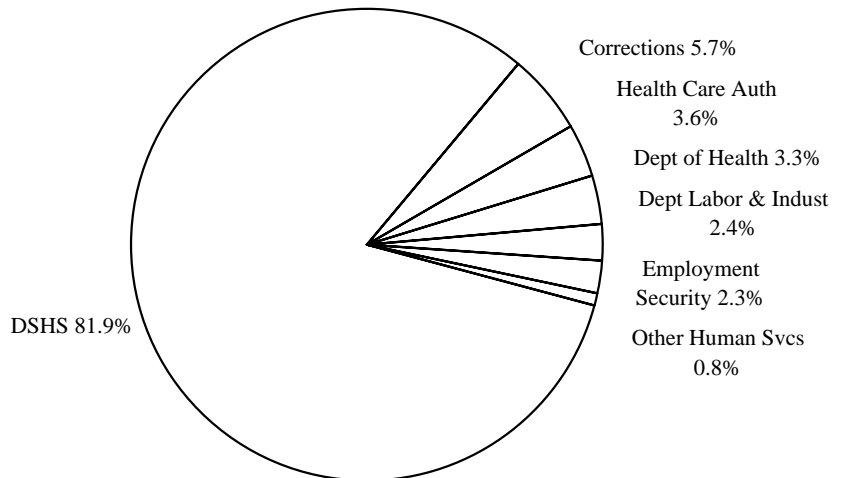
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Legislative	139,285
Judicial	141,697
Governmental Operations	2,707,559
<b><i>Human Services</i></b>	<b><i>18,911,595</i></b>
Natural Resources	1,123,648
Transportation	104,494
Public Schools	11,571,857
Higher Education	6,502,726
Other Education	116,415
Special Appropriations	2,036,571
<b>Statewide Total</b>	<b>43,355,847</b>



**Washington State**

DSHS	15,484,051
Dept of Corrections	1,080,427
Health Care Authority	682,887
Dept of Health	631,161
Dept of Labor & Indust	455,143
Employment Security	426,339
Other Human Svcs	151,587
<b><i>Human Services</i></b>	<b><i>18,911,595</i></b>

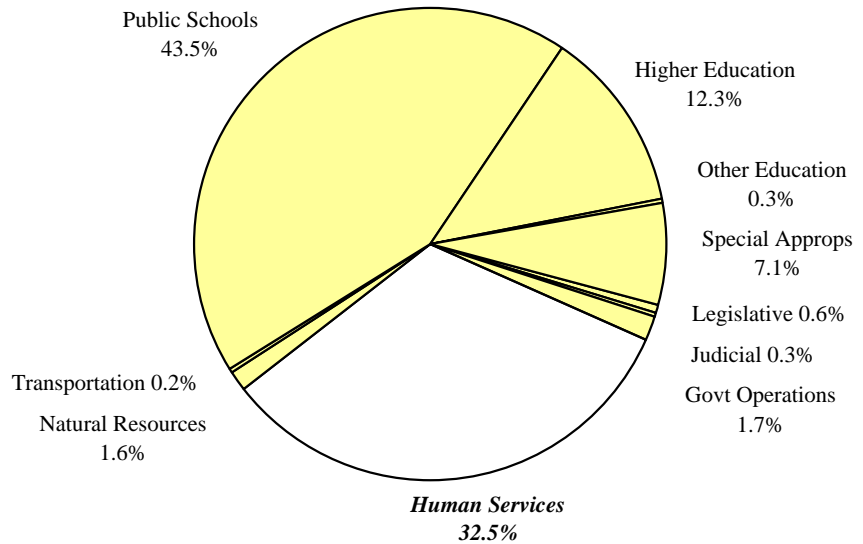


***Human Services***

**2001-03 Washington State Operating Budget**  
**General Fund-State**  
(Dollars in Thousands)

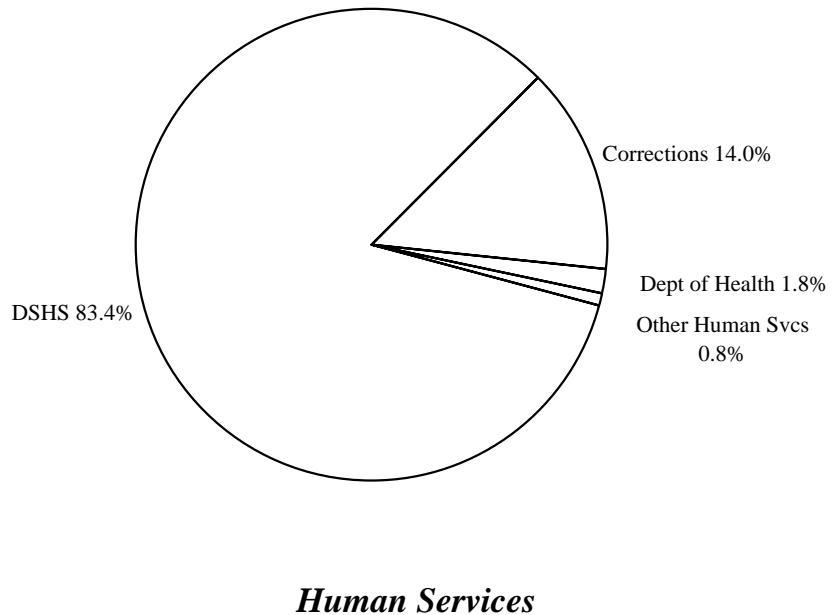
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Legislative	133,124
Judicial	71,679
Governmental Operations	392,304
<b><i>Human Services</i></b>	<b><i>7,415,303</i></b>
Natural Resources	355,477
Transportation	40,722
Public Schools	9,903,086
Higher Education	2,800,460
Other Education	59,988
Special Appropriations	1,611,095
<b>Statewide Total</b>	<b>22,783,238</b>



**Washington State**

DSHS	6,182,481
Dept of Corrections	1,039,588
Dept of Health	132,249
Other Human Svcs	60,985
<b><i>Human Services</i></b>	<b><i>7,415,303</i></b>







# Department of Social & Health Services

## **Children and Family Services**

The budget provides \$12.2 million in state and federal funding to improve the caseworker ratio from the current 29:1 to 24:1.

The budget increases the basic rate paid to foster parents from the current average of \$405 per month to \$420 on July 1, 2001, and to \$440 on July 1, 2002. This increase will cost \$3.8 million in state and federal funding over the biennium.

The budget expands the use of private child placing agencies and increases the rate paid to them for placement services. The cost for these enhancements is \$5.7 million in state and federal funding.

The budget provides \$2.1 million (\$2.0 million state general fund) to increase the availability of respite care for foster parents. The expansion of respite care is intended to increase the retention of foster parents.

Funding for the Family Policy Council (FPC) and Community Health and Safety Network Grants is reduced by 25 percent in the budget. This saves \$2.2 million in the state general fund. The FPC is to implement reductions in network grants so that programs and networks with the best outcomes and history of substantial contract compliance are maintained.

## **Juvenile Rehabilitation Administration**

Due to recent assessments of the number of youth with mental health issues in Juvenile Rehabilitation Administration facilities, \$1.1 million is provided for increased mental health staffing at the Maple Lane School and increased medication management resources to address workload associated with the increased usage of psychotropic medications.

Savings of \$1.6 million are achieved by implementing efficiencies in the administration of regional services programs in the community. Regional services include parole services, community facilities, drug and alcohol services, learning and life skills centers, regional support staff, regional administration, and diagnostics. Additionally, the opening of a recently constructed 64-bed unit at Green Hill School will be delayed until the second year of the biennium, saving \$812,000.

The Juvenile Rehabilitation Administration currently contracts with county detention centers to provide short-term residential programming for juvenile offenders in the community commitment program. The Governor vetoed the community commitment program proviso, and therefore \$3 million in county detention contract funding lapses.

## **Mental Health**

To keep pace with the growth in the number of persons enrolled in Medicaid, total funding for counseling, case management, residential and hospital care, and other community mental health services provided through Regional Support Networks is increased by \$48.5 million (7.8 percent). In addition, the appropriations act directs the Department to phase in a new formula for allocating available resources among the Regional Support Networks over the next six years. The new formula will use the number of low-income persons enrolled in state medical assistance programs, rather than total population, as the primary measure of the relative need for state funding in each Regional Support Network area. The budget also provides \$500,000 of state and federal funding for completion of additional studies to assess whether medical assistance enrollment is an adequate and sufficient measure of the relative prevalence of mental illness across the state.

Two new efforts are initiated to measure and evaluate the performance of the community mental health system. First, a total of \$822,000 is provided for development of an improved management information system that will track common system outcomes – such as homelessness, criminal justice system involvement, employment status, and frequency of hospitalization – across all of the Regional Support Networks. Second, a total of \$75,000 is provided for the Washington State Institute of Public Policy to begin a longitudinal study that will track the status of mental health consumers for a period of at least ten years.

A total of \$5.7 million is provided for development of community residential and support services for persons who no longer require active psychiatric treatment in an inpatient hospital setting, but whose treatment needs constitute substantial barriers to community placement. The effort is expected to permit closure of four state hospital wards over the course of the 2001-03 biennium, resulting in a net savings of \$3.5 million in state funds. A total of \$7.2 million is provided to increase staffing at the two state psychiatric hospitals in order to provide improved care for two groups of patients: those with developmental disabilities and those involved with the criminal justice system.

Pursuant to Chapter 12, Laws of 2001, 2<sup>nd</sup> sp.s. (E3SSB 6151), a community transition program will be established at an existing facility on McNeil Island. The budget provides \$5.8 million for the operating costs associated with the program that is designed for Special Commitment Center residents that have progressed enough in their treatment plans to be suitable for this type of less restrictive alternative. An additional \$2 million is provided to compensate local jurisdictions impacted by the placement of the facility.

A total of \$2.5 million is provided to implement the plan adopted for the Special Commitment Center to satisfy the United States District Court's rulings. Enhancements to the program include: the establishment of a vocational program; the adoption of a preventative health program; the establishment of another Assistant Resident Manager position to help cover evening hours; and the development of a tracking system to collect resident information, treatment progress, and other activities designed to assist residents in achieving successful treatment.

### **Developmental Disabilities**

Building upon the Division's past efforts to enable integrated community living, the budget provides a total of \$8.3 million (\$4.3 million state general fund) for community residential placements and corresponding support services for up to 80 individuals who chose to transition from state residential habilitation centers (RHCs). Funding for these placements is consistent with the Division's overall planning related to the U.S. Supreme Court decision in the *L.C. v. Olmstead* case. As a result of these moves plus normal attrition, a total of \$7.3 million (\$3.3 million state general fund) is anticipated in savings due to the consolidation of vacancies in RHC cottages.

The budget provides \$8.7 million for residential housing and supports for the following groups of individuals with developmental disabilities and community protection issues: those being released by the Department of Corrections; those in crisis using statewide diversion beds; and those in state psychiatric hospitals.

The sum of \$2.0 million from the state general fund is provided in the Developmental Disabilities Division budget for job training and placement, or other productive daytime activities, for young people with disabilities who are expected to graduate from special education programs during the 2001-03 biennium.

The budget provides \$24.3 million in state and federal funding to workers who earn less than \$10 per hour and provide direct care to persons with developmental disabilities who live in their own homes or in community residential placements. When combined with the vendor rate increase provided for in the budget, most workers will receive a 50 cent increase in their hourly compensation over the biennium.

A total of \$5.9 million (\$3.3 million state general fund) is provided to improve the case manager to client ratio for developmentally disabled clients enrolled in the Medicaid Home and Community-Based Waiver. A total of 48 caseworkers will be added over the 2001-03 biennium. The additional staff will be used to ensure better monitoring of client health and safety.

### **Long-Term Care Services**

The budget provides a total of \$2.1 billion so that an average of 47,000 people per month may receive long-term care in their own homes, assisted living facilities, adult family homes, and nursing homes. This is a 6.8 percent increase in the number of people receiving such services, and a 12 percent increase in total expenditures, from the 1999-01 level.

A total of \$27.6 million is provided to increase compensation for low-wage workers who provide direct care for persons in their own homes and in adult family homes, assisted living facilities, and nursing homes. An additional \$5.6 million is appropriated to provide health insurance for additional homecare workers, and to cover increased health insurance costs.

In accordance with Chapter 8, Laws of 2001, 1<sup>st</sup> sp.s., Partial Veto (SHB 2242), a total of \$80.6 million is provided to increase nursing home payment rates. Nursing home payment rates will increase an average of 4.4 percent per year, including the impact of the low-wage worker increase.

Funding is also provided to enhance or to increase access to long-term care services in the community. The budget provides \$1.5 million for exceptional care rates so that persons with Alzheimer's disease or related dementias who might otherwise require nursing home care may instead reside in community boarding facilities specializing in their care. A total of \$910,000 is provided to increase skilled nursing visits for persons receiving in-home care. Chapter 269, Laws of 2001 (SHB 1341), is expected to enable 1,100 people to qualify for publicly-funded, community-based long-term care, while still saving approximately \$1 million because an estimated 375 of these individuals would otherwise be served in nursing facilities, at greater public expense. Admissions to the chore services program are to be frozen effective July 1, 2001, for an anticipated savings of \$1.5 million by the end of the biennium.

### **Economic Services Administration**

The budget increases funding for subsidized childcare and other WorkFirst programs by \$29 million. The funding is from the federal Temporary Assistance for Needy Families block grant and the Child Care Development block grant.

The budget saves \$6.6 million in state general funds by shifting from federal to state administration of state supplemental payments for persons on the federal Supplemental Security Income program. The shift would occur in the second year of the biennium and is expected to save \$16-18 million per biennium once fully implemented.

The budget reduces funding by \$3 million (\$2 million in state general fund) in anticipation of savings resulting from the streamlining of processes to determine and review eligibility for income assistance programs. The savings will reduce staffing by 275 positions by the end of the 2001-03 biennium.

### **Alcohol and Substance Abuse**

The budget provides \$2.9 million from the Public Safety and Education Account for drug and alcohol treatment for persons on the Supplemental Security Income (SSI) Program. Preliminary data show that providing drug and alcohol treatment for SSI clients with indications of drug and alcohol problems saves money in the Medical Assistance Program. The estimated savings in medical services is \$5.6 million state general fund.

The budget provides \$3.2 million from the state general fund for a 35-bed chemical dependency involuntary treatment (CDIT) facility in eastern Washington. This facility will ease the pressure on the one CDIT facility in western Washington and help reduce the repeated use of emergency rooms, jails, and psychiatric hospitals by persons whose intoxication makes them a danger to themselves or others.

The budget provides \$2.8 million from the Public Safety and Education Account for drug and alcohol treatment for persons gravely disabled from their addictions, including those who are addicted to methamphetamines.

Funding is provided for additional drug courts that are exhausting their federal grants in the 2001-03 biennium. The budget funds half of the lost federal money for five additional counties, for a total cost to the Public Safety and Education Account of \$1.1 million. The balance of drug court funding is expected to come from savings at the local level.

### **Medical Assistance**

The 2001-03 budget provides a total of \$5.8 billion in state and federal funds for an average of about 835,000 persons per month to receive medical, dental, and vision care through Medicaid and other DSHS medical assistance programs. Total expenditures on such services are budgeted to increase by \$983 million (20 percent) from the 1999-01 level, and the state share of those expenditures is projected to increase by \$497 million (24 percent). The number of people receiving state medical assistance is expected to be 8 percent higher in 2001-03 than in 1999-01, and the average cost per person served is budgeted to grow by 12 percent.

The increase in the cost per person served would be greater except for certain cost-control measures anticipated in the budget. The Department of Social and Health Services is directed to develop and implement utilization- and cost-management strategies which are expected to avoid at least \$90 million of cost increases which would otherwise occur in state medical assistance programs. The budget also anticipates that the federal government will enact a Medicare prescription drug program, resulting in \$34 million of avoided prescription drug expenditures by the state Medicaid program during the second year of the biennium.

The impact of Medical Assistance cost increases on state taxpayers is also expected to be mitigated by new federal law and regulations regarding the disproportionate share hospital and Medicare upper payment limit programs. Changes to those programs are expected to result in an additional \$350 million of federal revenues into the Health Services Account during the 2001-03 biennium. These revenues are used in the budget to cover cost increases in the Basic Health Plan and in Medicaid coverage for low-income children; to provide an additional \$7 million to public hospitals to reduce the impact of uncompensated care; to enroll without a waiting period all eligible children who apply for coverage under the State Children's Health Insurance Program, which serves families with incomes between 200-250 percent of poverty; and to extend Medicaid eligibility to two additional groups of recipients. The newly-covered groups are uninsured women with incomes below 200 percent of poverty who have been diagnosed with breast or cervical cancer; and persons with incomes below 450 percent of poverty who go to work despite having disabilities severe enough to qualify for social security disability coverage.

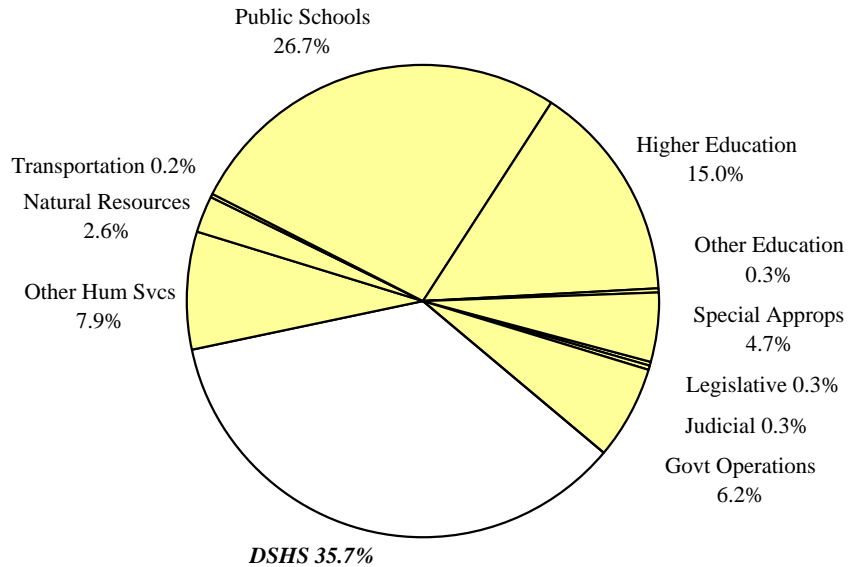
### **Vocational Rehabilitation**

General Fund-State support for the Vocational Rehabilitation Program is increased by \$2.6 million (8.2 percent). As a result, Washington will be able to collect the full amount of federal matching funds expected to be available during the 2001-03 biennium.

**2001-03 Washington State Operating Budget**  
**Total Budgeted Funds**  
(Dollars in Thousands)

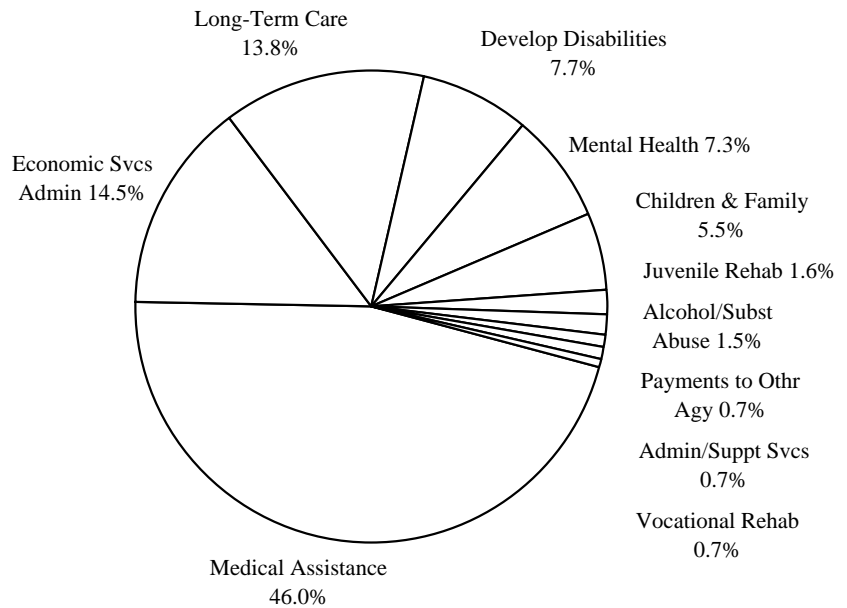
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Legislative	139,285
Judicial	141,697
Governmental Operations	2,707,559
<b>DSHS</b>	<b>15,484,051</b>
Other Human Services	3,427,544
Natural Resources	1,123,648
Transportation	104,494
Public Schools	11,571,857
Higher Education	6,502,726
Other Education	116,415
Special Appropriations	2,036,571
<b>Statewide Total</b>	<b>43,355,847</b>



**Washington State**

Medical Assistance	7,125,957
Economic Services Admin	2,249,449
Long-Term Care	2,144,082
Developmental Disabilities	1,187,715
Mental Health	1,126,665
Children & Family Svcs	844,299
Juvenile Rehabilitation	241,095
Alcohol/Subst Abuse	235,646
Pmts to Other Agencies	112,771
Admin/Support Svcs	111,185
Vocational Rehabilitation	105,187
<b>DSHS</b>	<b>15,484,051</b>

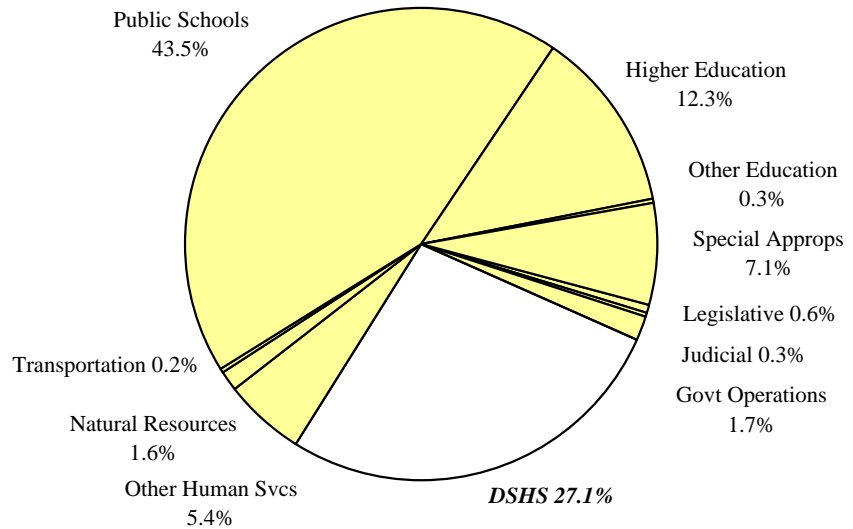


**DSHS**

**2001-03 Washington State Operating Budget**  
**General Fund-State**  
(Dollars in Thousands)

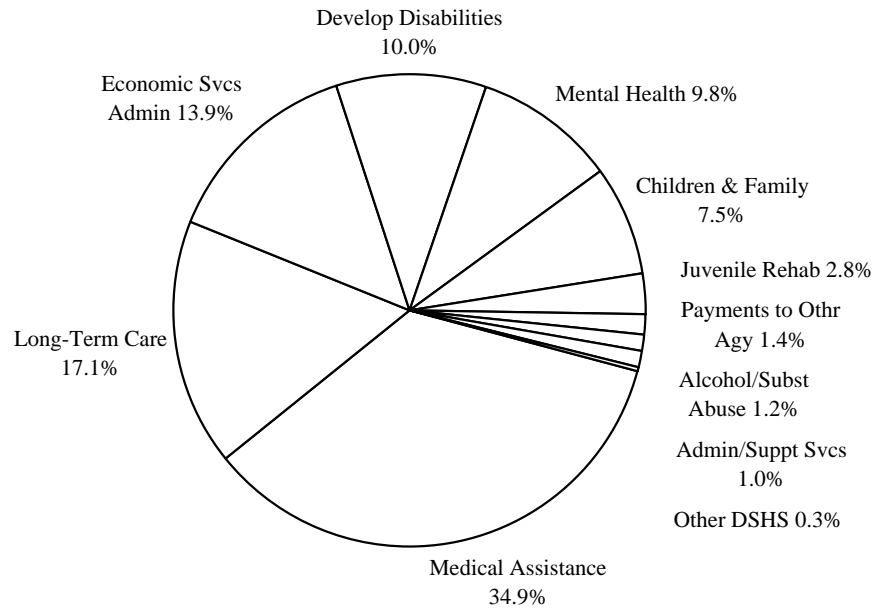
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Legislative	133,124
Judicial	71,679
Governmental Operations	392,304
<b>DSHS</b>	<b>6,182,481</b>
Other Human Services	1,232,822
Natural Resources	355,477
Transportation	40,722
Public Schools	9,903,086
Higher Education	2,800,460
Other Education	59,988
Special Appropriations	1,611,095
<b>Statewide Total</b>	<b>22,783,238</b>



**Washington State**

Medical Assistance	2,159,789
Long-Term Care	1,056,818
Economic Services Admin	861,310
Developmental Disabilities	620,544
Mental Health	604,510
Children & Family Svcs	464,802
Juvenile Rehabilitation	170,715
Pmts to Other Agencies	86,106
Alcohol/Subst Abuse	76,985
Admin/Support Svcs	59,813
Other DSHS	21,089
<b>DSHS</b>	<b>6,182,481</b>



**DSHS**

## Department of Social and Health Services Children & Family Services

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>410,694</b>	<b>360,197</b>	<b>770,891</b>
2001 Supplemental *	-3,537	-1,119	-4,656
<b>Total 1999-01 Biennium</b>	<b>407,157</b>	<b>359,078</b>	<b>766,235</b>
<b>2001-03 Maintenance Level</b>	<b>455,803</b>	<b>406,004</b>	<b>861,807</b>
<b>Policy Changes</b>			
1. Vendor Rate Increases	11,938	3,404	15,342
2. General Inflation	-740	-241	-981
3. Payment Review Program	-68	-69	-137
4. Eliminate Unused Bed Capacity	-3,385	0	-3,385
5. Reduce Caseworker Ratio	6,609	5,604	12,213
6. Division of Licensed Resources	464	154	618
7. Methamphetamine Treatment	0	50	50
8. Risk Assessment Model	254	85	339
9. Fire Marshal Inspections	106	0	106
10. Native American Child Welfare	412	0	412
11. Child Placing Agency Rate Increase	2,150	755	2,905
12. Quality Assurance Improvements	966	322	1,288
13. Foster Care Basic Rate Increase	2,303	1,535	3,838
14. Regional Foster Care Recruitment	400	0	400
15. Passport Program Expansion	583	875	1,458
16. Child Care and Early Learning	-15,682	-42,908	-58,590
17. Respite Care	2,000	127	2,127
18. Private Rooms for Aggressive Youth	0	2,064	2,064
19. Expand Child Placing Agencies	2,078	730	2,808
20. Foster Parent Retention	250	0	250
21. Centennial Buildings Lease Savings	-132	-44	-176
22. Reduce Family Policy Council Funds	-2,235	0	-2,235
23. Expand Relative Placements	0	1,050	1,050
24. Expand Responsible Living Beds	728	0	728
<b>Total 2001-03 Biennium</b>	<b>464,802</b>	<b>379,497</b>	<b>844,299</b>
Fiscal Year 2002 Total	225,789	187,564	413,353
Fiscal Year 2003 Total	239,013	191,933	430,946

**Comments:**

1. **Vendor Rate Increases** - Funding is provided to increase overall vendor payments in children's services by 2.1 percent in FY 2002 and 2.3 percent in FY 2003. The Department shall seek to control rate increases and reimbursement decisions for foster care and adoption support cases such that the cost per case for family foster care, group care, receiving homes, and adoption support does not exceed the amounts assumed in the projected expenditures plus the amounts provided for vendor rate increases and increases to the basic rate for foster care. (General Fund-State, General Fund-Federal)
2. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)
3. **Payment Review Program** - Savings are anticipated from recovering amounts incorrectly paid to service providers and from revising payment procedures to prevent future errors. (General Fund-State, General Fund-Federal)
4. **Eliminate Unused Bed Capacity** - The unused funding for Staff Secure Group Homes is eliminated, and funds are reduced for Secure Crisis Residential Centers (SCRCs). Reductions in SCRCs shall seek to maintain availability across the state, while reducing bed capacity in facilities with the lowest rate of actual placements to potential placements.
5. **Reduce Caseworker Ratio** - Funding is provided to reduce the average number of active cases for each caseworker from the current funded level of 29 to 24 by the end of the 2001-03 biennium. This is achieved through increased funding and by redeploying in FY 2003 approximately 5 percent of staff resources from administrative areas of the program to

## Department of Social and Health Services Children & Family Services

- case carrying staff and the supervisors and clerical staff that support them. (General Fund-State, General Fund-Federal)
6. **Division of Licensed Resources** - Funding is provided for additional licensors to meet the projected increase in foster homes. The desired ratio of 100 cases per licensor is funded. (General Fund-State, General Fund-Federal)
  7. **Methamphetamine Treatment** - As part of a statewide methamphetamine initiative, funding is provided for training all Child Protective Services social workers on responding to children found at methamphetamine labs or sites. (Public Safety and Education Account-State)
  8. **Risk Assessment Model** - Funding is provided for enhancements to the risk assessment model. The risk assessment model allows caseworkers to provide an assessment of the risk of abuse and/or neglect to children reported to the Department. The enhancements will allow for re-assessment of risk throughout the life of the case and will include a special assessment tool if reunification is being considered for a child in out-of-home placement. Funding is also included for training caseworkers on the new model. (General Fund-State, General Fund-Federal)
  9. **Fire Marshal Inspections** - Funding is provided for the Washington State Patrol Fire Marshal to perform inspections of childcare centers and group care facilities that must have a fire safety inspection and certification prior to licensing by the Children's Administration. This funding is sufficient to meet the expected growth in the program.
  10. **Native American Child Welfare** - Funding is provided for child welfare services to three new tribes (the Samish Nation, Snoqualmie Tribe, and Cowlitz Tribe) and new tribes in the Small Tribes of Western Washington (STOWW). The Children's Administration contracts with the state's federally recognized Native American tribes, off-reservation Native American organizations, and STOWW to provide child welfare services to Native American families.
  11. **Child Placing Agency Rate Increase** - Funding is provided to increase the rate paid to child placing agencies by 35 percent to \$400 per month at the beginning of the 2001-03 biennium. Child placing agencies provide foster and adoption services including placement and monitoring of children that reside in family foster care. This rate increase is in addition to a statewide vendor rate increase. (General Fund-State, General Fund-Federal)
  12. **Quality Assurance Improvements** - Funding is provided for ten quality assurance staff to conduct additional program reviews of case records. Currently, the Department is reviewing 600 records per year. This funding would allow the review of 6,000 case files per year and would move the Department to the national accreditors recommended level of 10 percent of case files reviewed per year. These positions will be phased-in over the biennium. (General Fund-State, General Fund-Federal)
  13. **Foster Care Basic Rate Increase** - The basic rate for family foster care is increased from an average of \$405 per month to \$420 on July 1, 2001, and \$440 on July 1, 2002. (General Fund-State, General Fund-Federal)
  14. **Regional Foster Care Recruitment** - Funding is provided to expand and improve foster parent recruitment.
  15. **Passport Program Expansion** - Funding is provided to reduce the backlog of Passports for children who have been in foster care over 90 days. A Passport is a concise record of each child's current medical, dental, behavioral, psychological, and educational status. It also includes the child's care providers and a record of vaccinations, allergies, current medication and doses, and upcoming appointments. (General Fund-State, General Fund-Federal)
  16. **Child Care and Early Learning** - Funding is transferred to the Department of Social and Health Services (DSHS) Economic Services Administration as a result of the consolidation of child care and early learning programs within DSHS, and from the Department of Health and the Office of Financial Management. (General Fund-State, General Fund-Federal)
  17. **Respite Care** - Funding is increased for respite care for foster parents. The Department shall provide respite care for foster parents so as to best improve child placement stability in the foster care system. Payments for the services will be made to the respite provider. (General Fund-State, General Fund-Federal)
  18. **Private Rooms for Aggressive Youth** - Funding is provided for improved security measures involving sexually aggressive youth in group foster care. These measures include an increase in the number of private rooms and other ways to improve safety for youth in group foster care. (General Fund-State, General Fund-Federal)
  19. **Expand Child Placing Agencies** - Funding is provided to increase the capacity of child placing agencies by 15 percent in FY 2002 and 30 percent in FY 2003. Child placing agencies provide adoption support and foster care services including placement and monitoring services for children who reside in family foster care. (General Fund-State, General Fund-Federal)
  20. **Foster Parent Retention** - Funding is provided for continuation of a foster parent retention program directed at foster parents caring for children who act out sexually.
  21. **Centennial Buildings Lease Savings** - Lease costs are reduced due to the purchase of the Centennial buildings in Tacoma. (General Fund-State, General Fund-Federal)
  22. **Reduce Family Policy Council Funds** - Funding for the Family Policy Council and community public health and safety networks is reduced by 25 percent. In reducing grants to the community public health and safety networks, the Family Policy Council shall seek to maintain programs for



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which data and/or research indicate positive outcomes and for networks that have a history of substantial contract compliance. (General Fund-State, Violence Reduction and Drug Enforcement Account)

23. **Expand Relative Placements** - Funding is provided to increase kinship care placements for children who otherwise would likely be placed in foster care. These funds are for extraordinary costs incurred by relatives at the time of placement, or for extraordinary costs incurred by relatives after placement if such costs would likely cause a disruption in the kinship care placement. Of the funds provided, \$50,000 shall be contracted to the Washington Institute for Public Policy to conduct a study of kinship care placements. The study shall examine the prevalence and needs of families who are raising related children, and shall compare services and policies of Washington State with other states that have a higher rate of kinship care placements in lieu of foster care placements. The study shall identify possible changes in services and policies that are likely to increase appropriate kinship care placements. (General Fund-Federal)
24. **Expand Responsible Living Beds** - Funding is provided for additional Responsible Living Skills Program (RLSP) beds. Eight beds shall be added by October 2001, and an additional seven beds shall be added by July 2002. The total number of RLSP beds in FY 2003 shall be 44.

\* Please see the 2001 Supplemental Operating Budget Section for additional information.

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**WORKLOAD HISTORY**

By Fiscal Year

	1994	1995	1996	1997	1998	1999	2000	<b>Estimate</b>		
								2001	2002	2003
<b>Foster Care</b> <sup>(1)</sup>										
Avg # Children Served Monthly	6,665	6,762	8,333	8,283	8,297	8,220	8,127	8,105	8,114	8,088
% Change from prior year		1.5%	23.2%	-0.6%	0.2%	-0.9%	-1.1%	-0.3%	0.1%	-0.3%
<b>Child Care</b> <sup>(2)</sup>										
Avg # Children Served Monthly	4,823	4,581	4,672	4,422	4,435	4,563	4,590	4,591	4,591	4,591
% Change from prior year		-5.0%	2.0%	-5.4%	0.3%	2.9%	0.6%	0.0%	0.0%	0.0%
<b>Child Protective Services</b> <sup>(3)</sup>										
Avg Cases Referred Monthly	5,750	6,108	6,241	6,319	6,477	6,214	6,351	6,388	6,388	6,388
% Change from prior year		6.2%	2.2%	1.2%	2.5%	-4.1%	2.2%	0.6%	0.0%	0.0%
<b>Adoption Support</b>										
Avg # Served Monthly	2,843	3,186	3,678	4,040	4,683	5,455	6,318	7,215	8,143	9,042
% Change from prior year		12.1%	15.4%	9.8%	15.9%	16.5%	15.8%	14.2%	12.9%	11.0%
<b>Caseload Ratio</b>										
Avg Cases Per Worker <sup>(3)</sup>	36:1	36:1	36:1	36:1	33:1	29:1	29:1	29:1	24:1	24:1

(1) Includes Family Foster Care, Group Foster Care, and Receiving Care. (Note: Receiving Care is not included prior to 1996).

(2) Includes the effect of the program transfer of teen parenting and seasonal child care programs from the Children's Administration to the Economic Services Administration.

(3) Combined average number of open cases per case carrying social worker for Child Protective Services, Child Welfare Services, and Family Reconciliation Services.

Data Sources :

Child Care, Child Protective Services and Caseload Ratio from DSHS Budget Division.

Foster Care and Adoption Support from the Caseload Forecast Council.

## Department of Social and Health Services Juvenile Rehabilitation

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>173,178</b>	<b>67,064</b>	<b>240,242</b>
2001 Supplemental *	-6,914	-1,591	-8,505
<b>Total 1999-01 Biennium</b>	<b>166,264</b>	<b>65,473</b>	<b>231,737</b>
<b>2001-03 Maintenance Level</b>	<b>174,252</b>	<b>69,374</b>	<b>243,626</b>
<b>Policy Changes</b>			
1. Vendor Rate Increases	1,471	1,061	2,532
2. General Inflation	-535	0	-535
3. Centennial Buildings Lease Savings	-20	0	-20
4. Efficiencies in Regional Services	-1,574	0	-1,574
5. Mental Health Services	1,118	0	1,118
6. Basic Training Camp	38	8	46
7. Administrative Efficiencies	-120	-60	-180
8. Chemical Dependency Alternative	-57	-3	-60
9. Delay Green Hill Expansion	-812	0	-812
10. Governor Veto	-3,046	0	-3,046
<b>Total 2001-03 Biennium</b>	<b>170,715</b>	<b>70,380</b>	<b>241,095</b>
Fiscal Year 2002 Total	83,759	34,992	118,751
Fiscal Year 2003 Total	86,956	35,388	122,344

**Comments:**

1. **Vendor Rate Increases** - Department vendors will have their rates increased by 2.1 percent on July 1, 2001, and an additional 2.3 percent on July 1, 2002. (General Fund-State, Public Safety and Education Account, Violence Reduction and Drug Enforcement Account, General Fund-Federal, General Fund-Local)
2. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
3. **Centennial Buildings Lease Savings** - Reduced lease costs are achieved by purchasing the Centennial buildings in Tacoma.
4. **Efficiencies in Regional Services** - Savings are achieved by the Juvenile Rehabilitation Administration through the implementation of efficiencies in the administration of regional services programs in the community. Regional services includes parole services, community facilities, drug and alcohol services, learning and life skills centers, regional support staff, regional administration, and diagnostics.
5. **Mental Health Services** - Due to recent assessments of the of number youth with mental health issues in Juvenile Rehabilitation Administration facilities, funding is provided for increased counselor assistant positions at Maple Lane School and increased medication management resources to address workload associated with increased usage of psychotropic drug medications.
6. **Basic Training Camp** - Funding is provided to implement Chapter 137, Laws of 2001 (HB 1070), which authorizes the Juvenile Rehabilitation Administration (JRA) to extend the current Basic Training Camp (BTC) program from 120 days up to 160 days for residents who need additional time to meet the BTC requirements. The Department of Social and Health Services is authorized to order sanctions for parole violations, including ordering BTC graduates to return to institutions for the remainder of their original sentence. (General Fund-State, General Fund-Federal)
7. **Administrative Efficiencies** - The Office of Juvenile Justice (OJJ) and staff to the Governor's Juvenile Justice Advisory Committee (GJJAC) operate independently of JRA. This item consolidates the OJJ and GJJAC staff into the administrative operations of JRA. Cost savings will result from the elimination of duplicative administrative operations and from aligning OJJ contract monitoring responsibilities with the monitoring expectations of JRA central office staff. (General Fund-State, General Fund-Federal)
8. **Chemical Dependency Alternative** - Savings are achieved through the implementation of Chapter 164, Laws of 2001 (SSB 5468), which expands the eligibility criteria for the Chemical Dependency Disposition Alternative (CDDA). As a result of the changes, it is expected that an additional six individuals will complete the CDDA requirements. (General Fund-State, General Fund-Federal)
9. **Delay Green Hill Expansion** - The opening of a recently constructed 64-bed unit at Green Hill School is delayed until the second year of the biennium.

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Juvenile Rehabilitation**

10. **Governor Veto** - The Governor vetoed Section 203(1)(s) of Chapter 7, Laws of 2001, 2nd sp.s., Partial Veto (ESSB 6153), which earmarked \$3,046,000 General Fund-State for contracted beds at local county detention facilities. JRA currently contracts with county detention centers to provide short-term residential programming for juvenile offenders in the community commitment program. (General Fund-State, General Fund-Federal)

\* Please see the 2001 Supplemental Operating Budget Section for additional information.

**Department of Social & Health Services  
Juvenile Rehabilitation**

**WORKLOAD HISTORY**  
By Fiscal Year

	1994	1995	1996	1997	1998	1999	2000	<b>Estimate</b>		
								2001	2002	2003
<b>Community Residential</b> <sup>(1)</sup>										
Avg Daily Population/Month	353	346	359	362	305	239	209	216	193	193
% Change from prior year		-2.0%	3.8%	0.8%	-15.7%	-21.6%	-12.6%	3.3%	-10.6%	0.0%
<b>Institutions</b>										
Avg Daily Population/Month	753	915	1,007	1,028	1,048	996	984	981	986	1,026
% Change from prior year		21.5%	10.1%	2.1%	1.9%	-5.0%	-1.2%	-0.3%	0.5%	4.1%
<b>Parole</b> <sup>(2)</sup>										
Avg Daily Population/Month	595	765	917	949	1,002	768	1,023	1,071	1,082	1,124
% Change from prior year		28.6%	19.9%	3.5%	5.6%	-23.4%	33.3%	4.7%	1.0%	3.9%

(1) Includes State Group Homes, Community Residential Placements, and the County Commitment Program. Beginning in FY 2002, funding for local Community Commitment Program beds is eliminated.

(2) Parole eligibility standards were significantly modified in FY 1998 and again in FY 2000.

Data Sources :

FY 1994 through FY 2001 from DSHS Juvenile Rehabilitation Administration.

FY 2002 through FY 2003 data from legislative fiscal staff.

## Department of Social and Health Services Mental Health

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>516,029</b>	<b>500,143</b>	<b>1,016,172</b>
2001 Supplemental *	6,542	5,421	11,963
<b>Total 1999-01 Biennium</b>	<b>522,571</b>	<b>505,564</b>	<b>1,028,135</b>
<b>2001-03 Maintenance Level</b>	<b>594,042</b>	<b>515,624</b>	<b>1,109,666</b>
<b>Policy Changes</b>			
1. Vendor Rate Increases	71	5,003	5,074
2. General Inflation	-951	-149	-1,100
3. Special Commitment Center/Community	5,760	0	5,760
4. LRA Mitigation Funding	2,000	0	2,000
5. Special Commitment Center/Program	2,452	0	2,452
6. Special Commitment Center/Facility	26	0	26
7. Special Commitment Center/Legal	1,253	0	1,253
8. Prevalence Study	250	250	500
9. Performance Measurement System	411	411	822
10. Forensic Unit Lawsuit	3,496	404	3,900
11. Children's Inpatient Vendor Rates	546	556	1,102
12. Non-Medicaid Comm Inpatient Funding	-1,389	0	-1,389
13. RSN Program Data Collection	0	606	606
14. Reduce Community Inpatient Pool	-1,800	0	-1,800
15. Medicare/Medicaid Crossovers	-1,514	-1,539	-3,053
16. Allen Settlement Work Plan 3	3,268	0	3,268
17. Longitudinal Study	38	38	76
18. Expand Community Services	-3,449	951	-2,498
<b>Total 2001-03 Biennium</b>	<b>604,510</b>	<b>522,155</b>	<b>1,126,665</b>
Fiscal Year 2002 Total	300,510	258,630	559,140
Fiscal Year 2003 Total	304,000	263,525	567,525

**Comments:**

1. **Vendor Rate Increases** - Agencies which contract with the state to provide interpreter services at the state psychiatric hospitals, and a variety of support services at the Special Commitment Center (SCC), will receive a 2.1 percent inflationary increase in July 2001 and a 2.3 percent increase in July 2002. Additionally, federal matching funds are provided so that the three Regional Support Networks (RSN) whose allocations under the new formula authorized in the budget would otherwise not increase by at least 2.1 percent in FY 2002, and by an additional 2.3 percent in July 2002, may receive such rate increases. The non-federal share of that increase is to be provided by the RSN from accumulated fund balances or other local fund sources. (General Fund-State, General Fund-Federal, General Fund-Local)
2. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)
3. **Special Commitment Center/Community** - Funding is provided to establish an additional community transition program for residents of the SCC. In a less restrictive alternate (LRA) environment, the program will focus on learning transitional skills and putting previous skills into practical application. Residents in the LRA facility will also receive additional treatment as needed. Estimates are based on an opening date of October 2001.
4. **LRA Mitigation Funding** - Mitigation funding is provided for jurisdictions affected by the placement of LRA facilities for persons conditionally released from the SCC at McNeil Island.
5. **Special Commitment Center/Program** - The SCC adopted a plan to satisfy the United States District Court's rulings. The plan includes an enhancement to the current SCC program, including: (1) the establishment of a vocational program; (2) the adoption of a preventative health program; (3) the establishment of another Assistant Resident Manager position to help cover evening hours; and (4) the development of a tracking system to collect resident information, treatment progress, and other activities designed to assist residents in achieving successful treatment.
6. **Special Commitment Center/Facility** - The new 258-bed special commitment facility is scheduled to open July 2003.

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Three positions in facility operations are provided to plan for and coordinate occupancy.

7. **Special Commitment Center/Legal** - Funding is provided for costs associated with hiring two additional assistant attorneys general and support staff to decrease wait times and the number of cases awaiting initial commitment trials to the SCC at McNeil Island. Funding will also allow the Attorney General's office to support cases currently being handled by the Snohomish County Prosecutor's office.
8. **Prevalence Study** - Funding is provided for the Department of Social and Health Services (DSHS) to study the prevalence of mental illness among the state Regional Support Networks' service areas. The Joint Legislative Audit and Review Committee is to monitor the study within its existing funds. (General Fund-State, General Fund-Federal)
9. **Performance Measurement System** - Funds are provided for the Mental Health Division to contract for the development of an outcome-based performance measurement system for the public mental health system. (General Fund-State, General Fund-Federal)
10. **Forensic Unit Lawsuit** - Funds are provided for DSHS to settle a lawsuit by the Washington Protection and Advocacy System alleging insufficient and inappropriate treatment of persons committed to the legal offender (forensic) unit at Western State Hospital. (General Fund-State, General Fund-Federal)
11. **Children's Inpatient Vendor Rates** - Funding is provided for a 10 percent rate increase for the four facilities from which the state purchases 24-hour residential treatment for severely troubled children. The increase is needed for the facilities to address significant recruitment and retention problems and the rising cost of medical insurance and utilities. (General Fund-State, General Fund-Federal)
12. **Non-Medicaid Comm Inpatient Funding** - The RSNs are responsible for the utilization and cost of community psychiatric hospitalization services for Medicaid recipients, and also for other persons who qualify for "state-only" medical assistance, such as the medically indigent, and recipients of general assistance for the unemployed (GAU). The Department has historically deducted the actual cost of hospitalization for these "state-only" groups from the RSNs' capitation payments. However, because half of those payments are federal funding which cannot be used for non-Medicaid recipients, the Department has covered the balance of the cost with state funds which were available in the Department's base budget. Under the new formula for allocating state and federal funds among the RSNs, RSNs will be allocated state funds for the "state-only" groups at 100 percent of the payment rate the RSN would receive for a comparable Medicaid enrollee. This item reduces the Department's base funding level by charging 25 percent of the state-only costs not covered by the previous capitation rates against RSN allocations in FY 2002 and 50 percent in FY 2003. There is no reduction in the total amount of funding available to the RSNs.
13. **RSN Program Data Collection** - Additional staffing is authorized for the Mental Health Division to improve collection, monitoring, and analysis of community mental health fiscal, client characteristics, and outcomes data. Additional federal funding is available to offset this cost. (General Fund-Federal)
14. **Reduce Community Inpatient Pool** - Funding for the community inpatient pool, established in FY 2001 to assist communities maintain capacity to provide short-term psychiatric hospitalizations locally, is reduced to \$1.45 million per year.
15. **Medicare/Medicaid Crossovers** - For persons who are dually eligible for both Medicare and Medicaid, the state Medicaid program is responsible for the share of community mental health costs which under Medicare are the patient's financial responsibility. Such Medicaid co-insurance costs were included in the original expenditure base which was used to calculate the RSN capitation rates, but in 1996 the Mental Health Division began paying the co-insurance costs directly, out of a separate appropriation, without a corresponding reduction in the RSN capitation rates. This item eliminates that separate appropriation, and requires the RSNs to cover the Medicare co-insurance costs out of their current Medicaid funding levels. (General Fund-State, General Fund-Federal)
16. **Allen Settlement Work Plan 3** - Funding is provided for the state hospitals to provide additional specialized care, combining both habilitation and mental health treatment components, for persons with developmental disabilities who require the level and intensity of psychiatric care best provided by the state hospitals. These funds are in addition to the \$2.2 million per year for such additional specialized care which was first provided in the 2000 supplemental appropriation, and fulfills the state's commitments under the *Allen v. DSHS* settlement agreement. The lawsuit contended that the state was not providing adequate care for persons with developmental disabilities in the state psychiatric hospitals. (General Fund-State, General Fund-Federal)
17. **Longitudinal Study** - In accordance with Chapter 334, Laws of 2001, Partial Veto (ESSB 5583 - Mental Health Performance Audit), funding is provided for the Washington State Institute for Public Policy to design and begin implementation of a 10-year longitudinal study on the impact of public mental health services on recipients' future employment, housing stability, criminal justice system involvement, and requirement for additional services. (General Fund-State, General Fund-Federal)
18. **Expand Community Services** - A total of \$5.7 million is provided for development of community residential and support services for persons whose treatment needs

## **Department of Social and Health Services Mental Health**

constitute substantial barriers to community placement, and who no longer require active psychiatric treatment in an inpatient hospital setting. This is expected to permit closure of four state hospital wards over the course of the 2001-03 biennium, resulting in a net reduction in total public expenditures.

Most of the new community funding available through this initiative will be used to provide community residential, mental health, and other services for long-term state hospital residents who can be better cared for in the community. No long-term resident is to move from the hospitals until a team of community professionals, who will work with them on an ongoing basis, have gotten to know the person; assessed their strengths, preferences, and needs; assured there is a safe and stable place for them to live; and made sure that other needed medical, behavioral, and social services are in place. In addition to the state and federal funding which is provided for ongoing service delivery after the resident's movement from the hospital, the Department is expected to use federal block grant funding for up-front development, training, and operation of the community support teams.

Primary responsibility and accountability for community support for persons who would otherwise require long-term state hospital care shall reside with the Mental Health Division and the RSNs, with partnership and support from other DSHS programs such as Alcohol and Substance Abuse and Aging and Adult Services. The Department is expected to negotiate performance-based incentive contracts with those RSN's which have the most viable plans for providing community services for a significant number of long-term hospital residents, rather than distributing the new funding among all RSNs according to the standard allocation formula.

Some of the new state and federal block grant funding provided as part of this initiative is also to be used to support strategies which will reduce the unnecessary and excessive use of state and local hospitals for short-term crisis stabilization services. Such strategies may include training and technical assistance to community long-term care and substance abuse providers; the development of diversion beds and stabilization support teams; and the development of new contractual standards to assure that the statutory requirement that 85 percent of short-term detentions be managed locally is being fulfilled. (General Fund-State, General Fund-Federal)

\* Please see the 2001 Supplemental Operating Budget Section for additional information.



# Department of Social & Health Services

## Mental Health

### WORKLOAD HISTORY

By Fiscal Year

	1994	1995	1996	1997	1998	1999	2000	<b>Estimate</b>		
								2001	2002	2003
<b>State Hospitals <sup>(1)</sup></b>										
Avg Daily Population/Month	1,444	1,349	1,278	1,276	1,311	1,354	1,358	1,367	1,402	1,281
% Change from prior year		-6.6%	-5.3%	-0.2%	2.7%	3.3%	0.2%	0.7%	2.6%	-8.6%
Avg Daily Census/Month		1,323	1,246	1,243	1,275	1,317	1,340	1,351	1,384	1,264
% Change from prior year			-5.8%	-0.2%	2.6%	3.3%	1.7%	0.8%	2.5%	-8.7%
<b>Community Outpatient Services</b>	<b>32,939</b>	<b>36,728</b>	<b>38,482</b>	<b>39,861</b>	<b>41,328</b>	<b>43,882</b>	<b>45,132</b>	<b>46,226</b>	<b>47,379</b>	<b>48,402</b>
% Change from prior year		11.5%	4.8%	3.6%	3.7%	6.2%	2.8%	2.4%	2.5%	2.2%
Avg Adults Served per Month	25,065	27,210	28,077	28,853	30,024	31,840	32,876	33,791	34,602	35,266
% Change from prior year		8.6%	3.2%	2.8%	4.1%	6.0%	3.3%	2.8%	2.4%	1.9%
Avg Children Served per Month	7,874	9,518	10,405	11,008	11,304	12,042	12,256	12,434	12,777	13,137
% Change from prior year		20.9%	9.3%	5.8%	2.7%	6.5%	1.8%	1.5%	2.8%	2.8%
<b>Special Commitment Center – Main Facility</b>										
Avg Daily Population/Month	23	28	33	43	57	79	105	130	151	168
% Change from prior year		23.0%	20.1%	28.4%	32.6%	38.5%	33.0%	24.4%	16.0%	11.2%
<b>Special Commitment Center – Less Restrictive Alternatives <sup>(2)</sup></b>										
Avg Daily Population/Month	0	1	2	2	2	3	5	5	10	21
% Change from prior year		100.0%	100.0%	0.0%	0.0%	50.0%	66.7%	0.0%	96.0%	112.2%

(1) Includes: Eastern State Hospital, Western State Hospital (WSH), WSH Program for Adaptive Living Skills (PALS), and Child Study and Treatment Center. Prior to FY 1995, also includes Program Offering Rehabilitation and Training in Adult Living (PORTAL).

(2) Includes persons in less restrictive alternative placements on McNeil Island and other locations.

Data Sources :

FY 1994 through FY 1999 actuals are from DSHS Division of Research and Data Analysis reports.

FY 2001 through FY 2003 estimates are from legislative fiscal committees.

## Department of Social and Health Services Developmental Disabilities

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>529,486</b>	<b>496,593</b>	<b>1,026,079</b>
2001 Supplemental *	6,185	112	6,297
<b>Total 1999-01 Biennium</b>	<b>535,671</b>	<b>496,705</b>	<b>1,032,376</b>
<b>2001-03 Maintenance Level</b>	<b>582,932</b>	<b>537,450</b>	<b>1,120,382</b>
<b>Policy Changes</b>			
1. Olmstead Plan Implementation	4,274	4,056	8,330
2. Vendor Rate Increases	13,248	11,037	24,285
3. Long-Term Care Worker Wages	5,783	5,369	11,152
4. General Inflation	-707	-690	-1,397
5. Payment Review Program	-339	-353	-692
6. Caseload Ratio Improvement	3,267	2,588	5,855
7. RHC Cottage Consolidation	-3,639	-3,693	-7,332
8. DDD Improve Public Safety	4,481	4,311	8,792
9. Administrative Reduction	-304	-174	-478
10. High School Transition Funding	2,000	0	2,000
11. Increase for Autism Pilot Project	200	0	200
12. Deaf and Hard of Hearing Svc Ctr	100	0	100
13. Expand Respite Care	250	250	500
14. Limit Residential Vacancy Payments	-708	-708	-1,416
15. Voluntary Placement Program Costs	9,706	7,728	17,434
<b>Total 2001-03 Biennium</b>	<b>620,544</b>	<b>567,171</b>	<b>1,187,715</b>
Fiscal Year 2002 Total	306,271	279,375	585,646
Fiscal Year 2003 Total	314,273	287,796	602,069

**Comments:**

1. **Olmstead Plan Implementation** - Funding is provided for community residential placements and corresponding support services for up to 80 individuals to transition from state residential habilitation centers (RHCs). This item is consistent with the Department's overall planning related to the U.S. Supreme Court decision in the *L.C. v. Olmstead* case and builds upon past efforts to enable integrated, community living. (General Fund-State, General Fund-Federal)
2. **Vendor Rate Increases** - Funding is provided to increase overall vendor payments by an average of 2.1 percent in FY 2002 and 2.3 percent in FY 2003. (General Fund-State, General Fund-Federal)
3. **Long-Term Care Worker Wages** - Funding is provided for a 50 cent per hour pay increase for low-wage workers who provide direct care for elderly and disabled persons in their own homes, in nursing homes, and in community residential programs. When combined with the vendor rate increases funded above, hourly wages will increase an average of 50 cents effective July 1, 2001 for home-care workers, nurses aides, and residential care staff currently earning less than \$10 per hour. (General Fund-State, General Fund-Federal)
4. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)
5. **Payment Review Program** - Savings are anticipated from recovering amounts incorrectly paid to service providers and from revising payment procedures to prevent future errors. (General Fund-State, General Fund-Federal)
6. **Caseload Ratio Improvement** - Funding is provided to improve the case manager to client ratio for clients enrolled on the Home and Community Based Waiver in the Division of Developmental Disabilities (DDD). A total of 48 new caseworkers plus support staff will be phased-in over a 10-month period during the 2001-03 biennium. In addition, this item provides authority for 37.5 FTEs the Division has been funding within current level resources. These additional resources shall be deployed to ensure better monitoring of health and safety for clients on the waiver. (General Fund-State, General Fund-Federal)
7. **RHC Cottage Consolidation** - Savings will be achieved through the consolidation of cottages resulting from vacancies at the residential habilitation centers (RHCs). Vacancies are due to normal attrition and anticipated

## Department of Social and Health Services Developmental Disabilities

vacancies accruing as a result of the continued efforts of the Division to move residents to community settings. Savings include costs related to staff and goods and services expenditures. (General Fund-State, General Fund-Federal)

8. **DDD Improve Public Safety** - Two client groups will be served by funding that includes residential housing support for individuals with community protection issues. 1) The division will provide intensive supervision for 26 individuals with developmental disabilities that the Department of Corrections plans to release during the 2001-03 biennium. These individuals are incarcerated for sexual offenses and violent crimes. Besides supervision, the division will provide residential and employment services. 2) The Department will also provide residential support for 30 individuals in crisis who are utilizing statewide diversion beds but lack funding for permanent placement. Outplacement will be provided for 18 individuals from state psychiatric hospitals. This element represents part of phase 2 of the Mental Health/Developmental Disabilities Collaborative in response to the Allen lawsuit settlement agreement. (General Fund-State, General Fund-Federal)
9. **Administrative Reduction** - Savings are achieved by reducing training, planning, and other activities at RHCs. (General Fund-State, General Fund-Federal).
10. **High School Transition Funding** - Funding is provided for employment and training services for young adults with developmental disabilities who need assistance after high school graduation. These services are intended to assist with the transition to work and promote more independent living. Funding shall be used to the greatest extent possible for vocational rehabilitation services matched with federal funding. In recent years, the state fund budget for employment and day programs has been underspent. These surpluses, built into the carryforward level budget, shall be redeployed for high school transition services.
11. **Increase for Autism Pilot Project** - Funding is increased for the autism pilot project started in 1999. The added funding will bring the total 2001-03 biennial budget for the project to \$738,000.
12. **Deaf and Hard of Hearing Svc Ctr** - Funding is increased for the the Southeast Washington Deaf and Hard of Hearing Service Center due to increased workload.
13. **Expand Respite Care** - Funding is provided to expand respite care at Yakima Valley School by six beds over the biennium depending on the number of vacancies that occur. In addition to the expanded respite beds, funding is provided to improve the continuity of care from a respite stay back to the person's home. Nursing or other appropriate clinical staff will assist the family or other care givers with new ways to support the person in order to improve the stability of the living arrangement. (General Fund-State, General Fund-Federal)
14. **Limit Residential Vacancy Payments** - Under current practice, as vacancies occur in contracted residential settings for a DDD client, the Division continues to pay a provider to ensure that capacity is maintained. This item limits such payments to three months. (General Fund-State, General Fund-Federal)
15. **Voluntary Placement Program Costs** - Funding is increased for clients in the Voluntary Placement Program and for clients aging out of the program. (General Fund-State, General Fund-Federal)

\* Please see the 2001 Supplemental Operating Budget Section for additional information.

# Department of Social & Health Services

## Developmental Disabilities

### WORKLOAD HISTORY

By Fiscal Year

	1994	1995	1996	1997	1998	1999	2000	Estimate		
								2001	2002	2003
<b>Institutions</b>										
Avg Monthly Population	1,412	1,322	1,295	1,262	1,228	1,189	1,231	1,231	1,231	1,231
% change from prior year		-6.4%	-2.0%	-2.5%	-2.7%	-3.2%	3.6%	0.0%	0.0%	0.0%
<b>Community Residential Programs</b> <sup>(1)</sup>										
Avg Month End Contracted Beds	3,585	3,683	3,740	3,819	3,742	3,747	3,920	4,030	4,111	4,184
% change from prior year		2.7%	1.5%	2.1%	-2.0%	0.1%	4.6%	2.8%	2.0%	1.8%
<b>Employment &amp; Day Programs</b>										
Avg Monthly Number Served	6,789	7,049	7,571	7,954	8,455	8,567	9,193	9,604	9,685	9,758
% change from prior year		3.8%	7.4%	5.1%	6.3%	1.3%	7.3%	4.5%	0.8%	0.8%
<b>Family Support</b> <sup>(2)</sup>										
Number of Clients Served	2,071	2,207	2,659	3,637	3,985	4,658	5,247	6,211	6,541	6,847
% change from prior year		6.6%	20.5%	36.8%	9.6%	16.9%	12.6%	18.4%	5.3%	4.7%
<b>Adult Personal Care</b> <sup>(3)</sup>										
Number of Clients Served	2,844	3,244	3,525	3,951	4,199	4,730	5,015	5,559	5,883	6,172
% change from prior year		12.3%	8.0%	10.8%	5.9%	11.2%	5.7%	9.8%	5.5%	4.7%

(1) Includes Alternate Living (clients served), Group Homes, intermediate care facilities for the mentally retarded (IMRs), Tenant Support (clients served), and State Operated Living Alternatives (SOLA).

(2) Family Support includes Children's Personal Care.

(3) Adult Personal Care includes Medicaid Personal Care and Chore Services. Prior to FY 1990, Developmental Disabilities' clients enrolled in these programs were counted in the Long-term Care program totals.

#### Data Sources :

FY 1994 through FY 2001 from LEAP workload database DSHS Budget Office.

FY 2002 through FY 2003 are budget estimates from legislative fiscal staffs.

## Department of Social and Health Services Long-Term Care

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>921,068</b>	<b>985,315</b>	<b>1,906,383</b>
2001 Supplemental *	2,312	-716	1,596
<b>Total 1999-01 Biennium</b>	<b>923,380</b>	<b>984,599</b>	<b>1,907,979</b>
<b>2001-03 Maintenance Level</b>	<b>1,010,373</b>	<b>1,039,768</b>	<b>2,050,141</b>
<b>Policy Changes</b>			
1. Dementia Exceptional Care Rates	728	740	1,468
2. Freeze Chore Services Enrollments	-1,468	0	-1,468
3. Nursing Services for In-Home Client	452	458	910
4. COPES for Medically Needy	-507	-526	-1,033
5. Vendor Rate Increases	17,624	16,909	34,533
6. Long-Term Care Worker Wages	13,760	13,833	27,593
7. General Inflation	-258	-271	-529
8. Payment Review Program	-867	-903	-1,770
9. Centennial Buildings Lease Savings	-36	-35	-71
10. Nursing Home Rates	19,315	19,613	38,928
11. Nursing Home Evaluation	75	75	150
12. Guardianship	-96	-97	-193
13. Estate Recovery	-2,277	-2,300	-4,577
<b>Total 2001-03 Biennium</b>	<b>1,056,818</b>	<b>1,087,264</b>	<b>2,144,082</b>
Fiscal Year 2002 Total	518,911	533,279	1,052,190
Fiscal Year 2003 Total	537,907	553,985	1,091,892

**Comments:**

1. **Dementia Exceptional Care Rates** - Funding is provided for exceptional care rates so that an average of at least 60 persons with Alzheimer's disease or related dementias who might otherwise require nursing home care can instead reside in community boarding facilities designed and equipped to provide specialized care for such conditions. (General Fund-State, General Fund-Federal)
2. **Freeze Chore Services Enrollments** - The Chore Services program provides assistance with daily living activities to approximately 400 elderly and disabled persons whose incomes exceed the roughly \$6,500 per year which would enable them to qualify for Medicaid, but whose needs are not yet substantial enough to qualify for the Medicaid waiver program, which allows an income of about \$19,000 per year for a single individual. As an alternative to the proposed elimination of the program, there will be a freeze on all new admissions to the program, except for those needed for adult protective services cases. This will accelerate the phase-out of the program, which has been underway since 1994.
3. **Nursing Services for In-Home Client** - Funding is provided to triple the number of community care recipients receiving in-home skilled nursing visits and to double the average number of nursing visits per recipient and the hourly payment rate for such services. (General Fund-State, General Fund-Federal)
4. **COPES for Medically Needy** - Persons with annual incomes over \$19,000 for an individual, or about twice that amount for a couple, are currently able to receive Medicaid-funded assistance with the cost of nursing home care, but not with the cost of care in their own home, an adult family home, or an assisted living facility. As authorized in Chapter 269, Laws of 2001 (SHB 1341), the Department of Social and Health Services (DSHS) is expected to obtain two new federal waivers which will permit such individuals to receive Medicaid-funded services in their own homes or in community residential facilities. This will enable 375 of the 1,500 "medically needy" persons who currently receive Medicaid-funded nursing home care, but whose incomes exceed the current eligibility standard for community-based care, to instead be served in community-based settings at a lower public cost. Those savings will be partially offset by the cost of Medicaid-funded medical and long-term care services for up to 725 additional persons who are not presently eligible for publicly-funded services because their incomes exceed the current eligibility limit. The agency is directed to limit total enrollment in the two waivers to 650 persons by June 2002, and to 1,100 persons by June 2003; and to transfer funds from the Aging and Adult Services Administration to the Medical Assistance Administration to cover the medical costs that will result from making these additional persons eligible for state medical assistance. (General Fund-State, General Fund-Federal)

## Department of Social and Health Services Long-Term Care

5. **Vendor Rate Increases** - Agencies that contract with the state to provide case management, home-care, community residential care, and other long-term care services will receive inflationary increases of 2.1 percent on July 1, 2001, and 2.3 percent on July 1, 2002. (General Fund-State, General Fund-Federal)
6. **Long-Term Care Worker Wages** - Funding is provided to increase pay for low-wage workers who provide direct care for elderly and disabled persons in their own homes, in nursing homes, and in community residential programs. When combined with vendor rate increases, funding is sufficient to increase hourly wages an average of 50 cents effective July 1, 2001, for home-care workers, nurses aides, and residential care staff currently earning less than \$10 per hour. (General Fund-State, General Fund-Federal)
7. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)
8. **Payment Review Program** - Savings are anticipated from recovering amounts incorrectly paid to service providers and from revising payment procedures to prevent future errors. The budget anticipates \$2.7 million less in savings than originally proposed by the Department, because the agency has agreed to substantially increase the minimum billing error allowed before repayment is pursued. This change is expected to reduce by 60 percent the number of providers who are contacted about apparent billing errors. (General Fund-State, General Fund-Federal)
9. **Centennial Buildings Lease Savings** - Lease costs are reduced due to the purchase of the Centennial buildings in Tacoma. (General Fund-State, General Fund-Federal)
10. **Nursing Home Rates** - Funding is provided to implement Chapter 8, Laws of 2001, 1st sp.s., Partial Veto (SHB 2242), and to provide rate increases to nursing facilities. When combined with the nursing home component of the long-term care worker wage increase, the weighted average nursing home payment rate is expected to be \$128.79 per patient day in FY 2002 and \$134.45 per patient day in FY 2003, a 4.4 percent average annual increase over the FY 2001 level. (General Fund-State, General Fund-Federal)
11. **Nursing Home Evaluation** - In accordance with Chapter 8, Laws of 2001, 1st sp.s., Partial Veto (SHB 2242), funding is provided for the Department to contract for a two-year evaluation of Washington's nursing home payment system. Study plans are to be approved by and evaluation results reported to the Joint Legislative Task Force on Nursing Homes. (General Fund-State, General Fund-Federal)
12. **Guardianship** - New rules are to be adopted regarding guardianships for persons receiving publicly-funded long-term care. The rules will increase the amount of income available for clients to pay toward their cost of care. (General Fund-State, General Fund-Federal)
13. **Estate Recovery** - State law provides that the publicly-funded cost of care is to be recovered from the estates of long-term care recipients following their death and that of any surviving dependents. DSHS anticipates that it can increase such recoveries by 25 percent if 3.5 additional staff are employed for this purpose. (General Fund-State, General Fund-Federal)

\* Please see the 2001 Supplemental Operating Budget Section for additional information.

# Department of Social & Health Services

## Long-Term Care Services

### WORKLOAD HISTORY

By Fiscal Year

	1994	1995	1996	1997	1998	1999	2000	Estimate		
								2001	2002	2003
<b>Nursing Homes</b>										
# FTE Clients	17,168	16,639	15,905	14,992	14,645	14,081	13,782	13,602	13,316	12,898
% Change from prior year		-3.1%	-4.4%	-5.7%	-2.3%	-3.9%	-2.1%	-1.3%	-2.1%	-3.1%
<b>Community Care <sup>(1)</sup></b>										
# Clients Served	19,411	19,576	20,876	23,119	25,675	27,567	29,319	31,168	33,188	35,382
% Change from prior year		0.9%	6.6%	10.7%	11.1%	7.4%	6.4%	6.3%	6.5%	6.6%

(1) Includes Chore Services, Community Options Program Entry Services (COPES), Adult Residential, and Medicaid Personal Care.

Data Sources :

Nursing Homes for FY 1994 and FY 1995 from LEAP workload database.

Community Care for FY 1994 through FY 1996 from Aging and Adult Services Administration.

All other data is from the Caseload Forecast Council.

## Department of Social and Health Services Economic Services Administration

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>838,655</b>	<b>1,260,581</b>	<b>2,099,236</b>
2001 Supplemental *	10,458	-3,730	6,728
<b>Total 1999-01 Biennium</b>	<b>849,113</b>	<b>1,256,851</b>	<b>2,105,964</b>
<b>2001-03 Maintenance Level</b>	<b>865,565</b>	<b>1,320,521</b>	<b>2,186,086</b>
<b>Policy Changes</b>			
1. Vendor Rate Increases	2,329	1,461	3,790
2. General Inflation	-2,511	-3,225	-5,736
3. Child Care and Early Learning	16,564	43,253	59,817
4. Administrative Cost Containment	-4,000	-1,100	-5,100
5. Staffing Efficiencies	-800	-1,600	-2,400
6. Reduce Welfare to Work Match	-7,076	0	-7,076
7. Child Support Documents	-32	-64	-96
8. Streamline Eligibility	-2,000	-1,000	-3,000
9. Centennial Buildings Lease Savings	-215	-207	-422
10. Child Care & WorkFirst Enhancements	0	29,000	29,000
11. Cut SSI State Suppl Admin Costs	-6,562	0	-6,562
12. Filipino Veterans	48	0	48
13. Teen Pregnancy Prevention	0	1,100	1,100
<b>Total 2001-03 Biennium</b>	<b>861,310</b>	<b>1,388,139</b>	<b>2,249,449</b>
Fiscal Year 2002 Total	436,440	696,939	1,133,379
Fiscal Year 2003 Total	424,870	691,200	1,116,070

**Comments:**

1. **Vendor Rate Increases** - Funding is provided to increase overall vendor payments by an average of 2.1 percent in FY 2002 and 2.3 percent in FY 2003. (General Fund-State, General Fund-Federal)
2. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
3. **Child Care and Early Learning** - The child care and early learning programs from the Department of Social and Health Services (DSHS), the Department of Health, and the Office of Financial Management are consolidated into a new division within the DSHS Economic Services Administration. This division will focus on child care and early learning programs with an emphasis on quality and availability of care. (General Fund-State, General Fund-Federal)
4. **Administrative Cost Containment** - Funding for travel and goods and services is reduced and unused capacity in state funded programs is eliminated. (General Fund-State, General Fund-Federal)
5. **Staffing Efficiencies** - Funding is reduced through efficiencies in the Division of Child Support. The division has been applying technology and quality improvements to their operations, resulting in staffing efficiencies. (General Fund State, General Fund-Federal)
6. **Reduce Welfare to Work Match** - State matching funds for the federal Welfare to Work grant are reduced to the level needed for the biennium.
7. **Child Support Documents** - Funding is saved through the use of less costly means of delivering child support documents. (General Fund-State, General Fund-Federal)
8. **Streamline Eligibility** - Funding is saved by allowing the Department to simplify state resource eligibility policy and make such policy consistent with other federal public assistance programs. This simplification will allow the Department to eliminate 275 staff positions by the end of the 2001-03 biennium and over 400 staff positions by the end of the 2003-05 biennium. (General Fund-State, General Fund-Federal)
9. **Centennial Buildings Lease Savings** - Lease costs are reduced due to the purchase of the Centennial buildings in Tacoma. (General Fund-State, General Fund-Federal)
10. **Child Care & WorkFirst Enhancements** - Additional funding is provided for the anticipated increase in subsidized child care for low income working families and for other WorkFirst services including carrying forward investments in civil legal assistance for low income families. (General Fund-Federal)



**Department of Social and Health Services  
Economic Services Administration**

11. **Cut SSI State Suppl Admin Costs** - Currently, the state pays the federal government \$10 million per year for administrative costs to add \$28.6 million per year to federal Supplemental Security Income (SSI) benefits. In many cases, the administrative costs are greater than the amount added to the benefit check. By simplifying the state supplemental payments and by distributing those payments directly, it is estimated that \$8-9 million per year can be saved once fully implemented. This item provides \$1 million in FY 2002 and \$0.5 million in FY 2003 for transition planning for an implementation date of July 1, 2002 for state administered payments. State administered SSI supplements shall be made to clients receiving federal SSI payments; therefore, no further eligibility determination will be required by the Department. SSI recipients at the time of conversion who receive state-only benefits above a certain amount per month may be "grandfathered." The Department shall submit an implementation plan by December 1, 2001 to the fiscal committees of the Legislature.
12. **Filipino Veterans** - One-time funding is provided to veterans of World War II if they were members of the Commonwealth of the Philippines military forces and were in the service of the United States on July 26, 1941, or thereafter, and who move to the Philippines to establish and maintain a residence.
13. **Teen Pregnancy Prevention** - Funding is provided for continuation of a teen pregnancy prevention program managed by the Department of Health (DOH). DSHS will provide these funds from the Temporary Assistance for Needy Families block grant to DOH through an interagency agreement. (General Fund-Federal)

\* Please see the 2001 Supplemental Operating Budget Section for additional information.

# Department of Social & Health Services

## Economic Services

### WORKLOAD HISTORY

By Fiscal Year

	1994	1995	1996	1997	1998	1999	2000	Estimate		
								2001	2002	2003
<b>SSI State Supplement</b>										
Avg Monthly Caseload	76,518	82,249	86,299	87,674	88,006	89,176	90,947	92,664	94,288	95,664
% Change from prior year		7.5%	4.9%	1.6%	0.4%	1.3%	2.0%	1.9%	1.8%	1.5%
<b>General Assistance <sup>(1)</sup></b>										
Avg Monthly Caseload	17,617	18,371	18,074	18,155	17,657	17,129	16,416	17,737	17,392	17,392
% Change from prior year		4.3%	-1.6%	0.4%	-2.7%	-3.0%	-4.2%	8.0%	-1.9%	0.0%
<b>TANF Cases <sup>(2)</sup></b>										
Avg Monthly Caseload	104,626	104,472	101,136	97,309	84,685	67,475	58,796	54,649	53,648	53,683
% Change from prior year		-0.1%	-3.2%	-3.8%	-13.0%	-20.3%	-12.9%	-7.1%	-1.8%	0.1%
<b>Child Care <sup>(3)</sup></b>										
Avg # Children Served/Month	32,758	35,275	33,201	35,885	44,142	53,371	61,387	67,576	72,578	76,313
% Change from prior year		7.7%	-5.9%	8.1%	23.0%	20.9%	15.0%	10.1%	7.4%	5.1%

(1) FY 1994 through FY 2000 includes General Assistance-Unemployable (GA-U), General Assistance-Unemployable with expedited medical (GA-X), and General Assistance for children living with legal guardians (GA-H). Starting in FY 2001 GA-H cases are covered by TANF funding and are moved out of the General Assistance estimate into the TANF Cases estimate. Data collection changed to the Caseload Analysis and Reporting Database (CARD) system in FY 1998. To provide comparable data, monthly caseload data from FY 1995-1997 have been adjusted to reflect the CARD system, which is 7.05 percent higher on average than the previous Average Grant method.

(2) Includes General Assistance-Pregnant Woman (GA-S) cases, and GA-H cases starting in FY 2001 (see note above). To provide comparable data, monthly caseload data from FY 1994-1997 have been adjusted to reflect the CARD system, which is 7.08 percent higher on average than the previous Average Grant method.

(3) Includes the effect of the program transfer of teen parenting and seasonal child care programs from the Children's Administration to the Economic Services Administration.

Data Sources :

FY 1994 through FY 2001 SSI State Supplement and General Assistance actuals provided by the Caseload Forecast Council.

FY 1994 through FY 2001 TANF Cases and Child Care actuals provided by the DSHS Budget Division.

FY 2002 and FY 2003 estimates represent legislative budget assumptions, based upon forecasts provided by the Caseload Forecast Council and the DSHS Budget Division.

## Department of Social and Health Services Alcohol & Substance Abuse

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>43,439</b>	<b>175,829</b>	<b>219,268</b>
2001 Supplemental *	-35	-9	-44
<b>Total 1999-01 Biennium</b>	<b>43,404</b>	<b>175,820</b>	<b>219,224</b>
<b>2001-03 Maintenance Level</b>	<b>43,989</b>	<b>176,254</b>	<b>220,243</b>
<b>Policy Changes</b>			
1. SSI Client Treatment	0	2,944	2,944
2. Vendor Rate Increases	4,615	2,580	7,195
3. General Inflation	-42	0	-42
4. Transfer Drug Screening	-340	0	-340
5. Involuntary Treatment Beds	3,232	0	3,232
6. Vocational Program Eliminated	-1,806	0	-1,806
7. Expand Treatment Capacity	0	2,800	2,800
8. Additional Drug Courts	0	1,083	1,083
9. Shift DASA Programs to GF-S	27,000	-27,000	0
10. P-CAP Funding	337	0	337
<b>Total 2001-03 Biennium</b>	<b>76,985</b>	<b>158,661</b>	<b>235,646</b>
Fiscal Year 2002 Total	38,047	79,325	117,372
Fiscal Year 2003 Total	38,938	79,336	118,274

**Comments:**

1. **SSI Client Treatment** - Funding is provided for drug and alcohol treatment for Supplemental Security Income (SSI) clients. The increased cost for treatment is offset by savings in Medical Assistance Administration due to consolidated treatment services and increased service effectiveness. Funding is also included for ongoing research and post-program evaluation to further determine the post-treatment utilization of medical services. (Public Safety and Education Account-State)
2. **Vendor Rate Increases** - Funding is provided to increase overall vendor payments by an average of 2.1 percent in FY 2002 and 2.3 percent in FY 2003. (General Fund-State, Other Funds)
3. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
4. **Transfer Drug Screening** - The 1999 Legislature authorized the Division of Alcohol and Substance Abuse (DASA) to develop and implement comprehensive programs for women who are abusing alcohol and drugs and provide help for their young children. The comprehensive programs include increased drug screening by providers aimed at reducing perinatal substance abuse. Funding is transferred from DASA to the Department of Health which has responsibility for improving the rate of drug screening.
5. **Involuntary Treatment Beds** - The state of Washington currently has one chemical dependency involuntary treatment (CDIT) facility, located in western Washington. This CDIT facility treats individuals whose intoxication or withdrawal-related behaviors make them a danger to themselves or others. This one facility continuously operates at full capacity, forcing the diversion of individuals to emergency rooms, jails, detoxification centers, and state psychiatric hospitals. DASA will establish a 35-bed CDIT facility in eastern Washington, increasing the availability and accessibility to chemical dependency involuntary treatment services throughout the state. Patients meeting the commitment criteria of RCW 70.96A.140 but who voluntarily agree to treatment in lieu of commitment shall also be eligible for treatment in the new facility. The Department shall apply specific placement criteria to ensure that this new treatment capacity is prioritized for persons incapacitated as a result of chemical dependency and who are also high utilizers of hospital services.
6. **Vocational Program Eliminated** - The Vocational Opportunities Training and Education (VOTE) program is eliminated. The VOTE program assists the recovering population in becoming employed as part of an aftercare recovery plan.

## Department of Social and Health Services Alcohol & Substance Abuse

7. **Expand Treatment Capacity** - Funds are provided to expand capacity for substance abuse treatment for persons gravely disabled from drug and alcohol addiction, including those who are addicted to methamphetamines. These gravely disabled persons are often high utilizers of hospital services and involved with the criminal justice system due to their addiction. (Public Safety and Education Account-State)
8. **Additional Drug Courts** - Funding is provided for adult and youth drug courts in Thurston, Cowlitz, Skagit, Kitsap, and Clallam counties. Research indicates that drug courts provide savings for state and local governments because program participants are less likely to re-offend, resulting in reduced jail, court, and treatment costs. These drug courts will receive state assistance equal to one-half of their net federal funding loss. The balance in drug court funding will come from savings at the local level. (Public Safety and Education Account-State)
9. **Shift DASA Programs to GF-S** - Funding for drug and alcohol treatment is shifted from the Violence Reduction and Drug Enforcement Account to the state general fund. (General Fund-State, Violence Reduction and Drug Enforcement Account)
10. **P-CAP Funding** - Funding is provided for capacity expansion in the Parent-Child Assistance Program (P-CAP). Expansion will occur in Region 1 programs and in Pierce County. The program in Pierce County will work together with a clean and sober housing project to prioritize services for mothers and children involved with methamphetamine labs.

**\* Please see the 2001 Supplemental Operating Budget Section for additional information.**

**Department of Social & Health Services  
Alcohol & Substance Abuse**

**WORKLOAD HISTORY**  
By Fiscal Year

	1994	1995	1996	1997	1998	1999	2000	Estimate		
								2001	2002	2003
<b>ADATSA – Assessment</b>										
Avg Monthly Assessments	1,195	1,278	1,284	1,199	1,194	1,162	1,167	1,162	1,162	1,162
% Change from prior year		6.9%	0.5%	-6.6%	-0.4%	-2.7%	0.4%	-0.4%	0.0%	0.0%
<b>ADATSA – Outpatient Treatment</b>										
Avg Monthly Admissions	272	295	325	308	322	340	351	345	345	345
% Change from prior year		8.5%	10.2%	-5.2%	4.5%	5.6%	3.2%	-1.7%	0.0%	0.0%
<b>ADATSA – Residential</b>										
Avg Monthly Admissions	586	608	610	631	673	633	574	575	575	575
% Change from prior year		3.8%	0.3%	3.4%	6.7%	-5.9%	-9.3%	0.2%	0.0%	0.0%

*The Alcoholism and Drug Addiction Treatment and Support Act (ADATSA) was established in 1987.  
Workloads in ADATSA services are limited to openings available.*

Data Sources :

*FY 1994 through FY 2001 actuals provided by the DSHS Budget Division.*

*FY 2002 and FY 2003 estimates provided by the Division of Alcohol and Substance Abuse*

## Department of Social and Health Services Medical Assistance Payments

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>1,579,191</b>	<b>3,297,508</b>	<b>4,876,699</b>
2001 Supplemental *	141,195	197,340	338,535
<b>Total 1999-01 Biennium</b>	<b>1,720,386</b>	<b>3,494,848</b>	<b>5,215,234</b>
<b>2001-03 Maintenance Level</b>	<b>2,234,578</b>	<b>3,792,996</b>	<b>6,027,574</b>
<b>Policy Changes</b>			
1. Medicare Pharmacy	-16,874	-17,126	-34,000
2. SSI Client Treatment	-5,615	-5,709	-11,324
3. Vendor Rate Increases	33,643	36,954	70,597
4. General Inflation	-345	-964	-1,309
5. Utilization and Cost Containment	-50,119	-32,437	-82,556
6. Health Center Prospective Payment	-110	-288	-398
7. Rural Hospital Reimbursement	1,274	730	2,004
8. Emergency Room Co-Pays	-184	-188	-372
9. TANF Transitional Medical Premiums	-2,460	-2,494	-4,954
10. Medicaid Buy-In Program	0	4,000	4,000
11. Expand Proshare and DSH Programs	-33,490	1,180,026	1,146,536
12. Disease Case Management	-297	-305	-602
13. Dental Sealants	61	62	123
14. Breast and Cervical Cancer	0	2,578	2,578
15. CHIP Enrollment	0	8,610	8,610
16. Estate Recovery	-273	-277	-550
<b>Total 2001-03 Biennium</b>	<b>2,159,789</b>	<b>4,966,168</b>	<b>7,125,957</b>
Fiscal Year 2002 Total	1,028,885	2,677,466	3,706,351
Fiscal Year 2003 Total	1,130,904	2,288,702	3,419,606

**Comments:**

1. **Medicare Pharmacy** - Congress is expected to enact legislation adding outpatient prescription drugs to the federal Medicare benefits package. This is expected to result in savings for the state Medicaid program during the second year of the biennium since many seniors who must now rely upon Medicaid for assistance with their drug costs will instead receive assistance through Medicare. (General Fund-State, General Fund-Federal)
2. **SSI Client Treatment** - Savings are achieved as a result of increased funding for drug and alcohol treatment for Supplemental Security Income (SSI) recipients. Progress reports from an earlier pilot indicate that the increased cost of treatment is offset by savings from reduced hospitalizations, physician visits, and prescription drug expenditures for persons receiving treatment. (General Fund-State, General Fund-Federal)
3. **Vendor Rate Increases** - Funding is provided to increase the rates paid to hospitals, physicians, dentists, home health agencies, family planning clinics, and other organizations and individuals that contract with the state to provide medical assistance services. Rates are to be increased by 2.1 percent on July 1, 2001, and by an additional 2.3 percent on July 1, 2002. (General Fund-State, Health Services Account, General Fund-Federal)
4. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)
5. **Utilization and Cost Containment** - Additional staffing is provided for the Department to improve and expand its efforts to understand, manage, and control medical assistance expenditure growth. These efforts may include, but are not limited to: improved utilization review and prior authorization of high-cost and fast-growing expenditure areas; improved monitoring of transportation and interpreter services; resolution and recovery of disputed rebates owed the state by drug manufacturers; identification and recovery of costs on behalf of recipients who have other medical coverage or who are owed medical settlements; and implementation of primary care case management to reduce fee-for-service expenditures for recipients for whom Healthy Options coverage is not available at a competitive price. The Department is directed to establish semi-annual savings targets and to report every six months to the Legislature on the extent to which those targets are being achieved. (General Fund-State, General Fund-Federal)

## Department of Social and Health Services

### Medical Assistance Payments

6. **Health Center Prospective Payment** - The medical assistance program will implement a new prospective payment system for federally-qualified urban and rural health centers effective January 1, 2002. Consistent with new federal legislation, the new system will limit increases in Medicaid payment rates to a national index of medical inflation. Washington's previous practice, as required by federal law prior to 1997, has been to provide full cost reimbursement to these centers. Implementing this change will avoid a projected \$5 million of state expenditure growth which would otherwise occur during the 2001-03 biennium. Even with the change, the federally-qualified centers will continue to be paid about twice the amount which would be paid other community providers for the same service. (General Fund-State, Health Services Account, General Fund-Federal)
7. **Rural Hospital Reimbursement** - Funds are provided for enhanced reimbursement to small rural hospitals, in accordance with Chapter 2, Laws of 2001, 2nd sp.s. (HB 1162). (General Fund-State, General Fund-Federal)
8. **Emergency Room Co-Pays** - Co-payments will be imposed for non-emergency services provided in a hospital emergency room effective January 1, 2002. (General Fund-State, General Fund-Federal)
9. **TANF Transitional Medical Premiums** - During the second six months after leaving Temporary Assistance For Needy Families (TANF), adults will be required to pay premiums toward the cost of the medical and dental coverage which they receive through Medical Assistance. Premiums are expected to average approximately \$15 per adult per month, in accordance with an income-adjusted schedule similar to the one used for the Basic Health Plan (BHP). As under the BHP, coverage will be terminated for persons who, except for good cause shown, fall more than two months in arrears on premium payments. (General Fund-State, General Fund-Federal)
10. **Medicaid Buy-In Program** - Washington will participate in the new Medicaid "Ticket to Work" program under which persons with substantial disabilities who go to work are able to obtain Medicaid coverage. To be eligible for the program, individuals will need to be working; to meet Social Security disability standards; and to have an income of less than about 450 percent of poverty (about \$39,000 per year for a single individual). All participants will be required to pay monthly premiums for their coverage, and a monthly deductible equal to 50 percent of any unearned income in excess of about \$560 per month. Premiums are to equal 5 percent of unearned income, plus approximately 2.5 percent of earned income. The Department is also authorized to establish point-of-service cost-sharing requirements for drugs, office visits, and personal care services. If actual enrollment and costs exceed budgeted levels, the Department is directed to modify income eligibility and/or cost-sharing standards sufficiently to operate the program within budgeted levels. (Health Services Account-State)
11. **Expand Proshare and DSH Programs** - New federal legislation enacted in December 2000 enables the state to collect additional Medicaid matching funds through the disproportionate share hospital (DSH) and Medicare upper payment limit (Proshare) programs. Some of these additional revenues are used to offset part of the growth in state expenditures on medical assistance programs. The sum of \$7 million is provided to public hospital districts to assist them in provision of uncompensated care. The balance of the new revenues are deposited into the state's Health Services Account, in order to assure sufficient funding in that account for the Basic Health Plan and for Medicaid coverage for children with incomes below 200 percent of poverty. (General Fund-State, Health Services Account-State, General Fund-Federal)
12. **Disease Case Management** - The Medical Assistance program will research and implement at least three pilot projects to assist individuals with targeted diseases improve their health. The projects will involve two key components: (1) identifying persons who are likely to become seriously ill due to a combination of medical, social, and functional problems; and (2) working with them and their primary care provider to improve adherence to state-of-the-art treatment regimens. Based upon successful models in other states, initial diseases to be targeted are likely to include diabetes, asthma, heart failure, renal disease, or cancer. Expenditures on program design, and fees for disease case management providers, are expected to be offset by 5-10 percent reductions in the medical costs which program participants would otherwise incur, resulting in a net savings. (General Fund-State, General Fund-Federal)
13. **Dental Sealants** - Chapter 93, Laws of 2001 (SSB 6020), authorizes registered dental hygienists to administer dental sealants and fluoride varnishes in schools without a dentist's supervision. This is expected to result in approximately a 1 percent increase in the number of children for whom such treatments are reimbursed by Medicaid. In future biennia, these costs are expected to be fully offset by reductions in treatment costs. (General Fund-State, General Fund-Federal)
14. **Breast and Cervical Cancer** - In accordance with Chapter 4, Laws of 2001, 1st sp.s. (2SHB 1058), the Medical Assistance Program will provide full-scope Medicaid benefits for low-income uninsured women who have been diagnosed with breast or cervical cancer through the federal screening program administered by the Department of Health. Federal Medicaid matching funds will cover approximately 65 percent of the cost. The Susan G. Komen Foundation has committed \$400,000 of private funds to cover approximately 45 percent of the remaining state share of program costs. (Health Services Account, General Fund-Federal, General Fund-Private/Local)

## Department of Social and Health Services

### Medical Assistance Payments

15. **CHIP Enrollment** - Funds are provided so that the Children's Health Insurance Program (CHIP) can operate without a waiting list. A monthly average of 5,500 children are expected to be enrolled in the program during FY 2002, and an average of 8,200 during FY 2003. The program provides medical, dental, and mental health coverage for children whose families have incomes between 200-250 percent of the federal poverty level. (Health Services Account-State, General Fund-Federal)
16. **Estate Recovery** - Under current policy, the Department of Social and Health Services attempts to recover the cost of publicly-funded care from the estate after the deaths of a recipient of state-funded long-term care and of his or her surviving dependents. The Department is proposing to begin recovering all medical assistance costs in such cases, rather than limiting collections to just long-term care, hospitalization, and prescription drug costs as was previously the case. The recoveries from this change will not be as large as anticipated, since only costs incurred subsequent to the necessary regulatory change can be subject to recovery. To cover the difference, the budget anticipates that the Department will also initiate recoveries in the case of persons who have not received long-term care, but who have incurred substantial hospitalization or other medical assistance costs prior to death. (General Fund-State, General Fund-Federal)

\* Please see the 2001 Supplemental Operating Budget Section for additional information.



**Department of Social & Health Services**  
**Medical Assistance Payments**

**WORKLOAD HISTORY**

By Fiscal Year

	1994	1995	1996	1997	1998	1999	2000	<b>Estimate</b>		
								2001	2002	2003
<b>Categorically Needy</b>	<b>559,686</b>	<b>613,968</b>	<b>653,083</b>	<b>697,456</b>	<b>704,900</b>	<b>691,838</b>	<b>725,831</b>	<b>769,201</b>	<b>790,740</b>	<b>811,474</b>
AFDC/TANF	329,660	329,519	320,540	310,247	286,965	254,023	256,711	274,080	276,578	281,881
Elderly	35,823	36,892	38,716	42,050	45,047	47,336	50,130	52,069	53,619	54,412
Disabled	85,454	91,261	94,848	94,962	95,010	96,640	98,929	104,030	107,571	110,696
Non-AFDC Children	75,602	121,343	162,748	211,707	239,487	254,069	278,465	293,828	305,426	315,867
Non-AFDC Pregnant Women	17,845	18,299	19,043	20,853	21,430	21,851	21,765	22,565	22,644	21,999
Undocumented Children	12,361	12,786	13,000	13,468	13,050	13,297	15,316	17,862	19,519	20,439
Medicare Beneficiaries	2,941	3,868	4,188	4,169	3,911	4,622	4,515	4,767	4,938	4,974
Breast & Cervical Cancer									23	81
Working Disabled									422	1,125
<b>Medically Needy</b>	<b>17,012</b>	<b>14,425</b>	<b>11,395</b>	<b>10,245</b>	<b>11,059</b>	<b>11,596</b>	<b>13,354</b>	<b>14,437</b>	<b>15,214</b>	<b>15,841</b>
AFDC-Related	5,822	3,895	1,433	0	0	0	0	0	0	0
Elderly	5,208	4,837	4,295	4,341	4,625	4,822	5,625	6,294	6,807	7,230
Disabled	5,537	5,559	5,576	5,765	6,356	6,650	7,626	8,060	8,324	8,528
All Others	445	134	91	139	78	124	103	83	83	83
<b>Children's Health Insurance Program</b>						2	356	1,806	5,768	8,181
<b>General Assistance/ADATSA</b>										
# Persons/Month	10,049	10,955	11,786	12,997	13,179	12,911	11,747	11,900	11,742	11,790
<b>State Medically Indigent</b>										
# Persons/Month	2,634	2,407	2,060	2,003	2,284	2,271	2,470	2,695	2,828	2,937
<b>Refugees</b>										
# Persons/Month	1,546	1,665	1,411	1,064	1,353	1,319	998	911	872	832
<b>Total Eligibles per Month</b>	<b>590,927</b>	<b>643,420</b>	<b>679,735</b>	<b>723,765</b>	<b>732,775</b>	<b>719,937</b>	<b>754,756</b>	<b>800,950</b>	<b>827,164</b>	<b>851,055</b>
% Change from prior year	15.0%	8.9%	5.6%	6.5%	1.2%	-1.8%	4.8%	6.1%	3.3%	2.9%

Data Source :

DSHS Budget Division, Office of Forecasting and Policy Analysis, March 2001 Forecast.

## Department of Social and Health Services Vocational Rehabilitation

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>17,405</b>	<b>83,771</b>	<b>101,176</b>
2001 Supplemental *	-35	-109	-144
<b>Total 1999-01 Biennium</b>	<b>17,370</b>	<b>83,662</b>	<b>101,032</b>
<b>2001-03 Maintenance Level</b>	<b>20,642</b>	<b>80,940</b>	<b>101,582</b>
<b>Policy Changes</b>			
1. Vendor Rate Increases	21	0	21
2. General Inflation	-314	0	-314
3. ESS Phase Down	-189	0	-189
4. Centennial Buildings Lease Savings	-25	0	-25
5. Serve Additional Persons	954	3,158	4,112
<b>Total 2001-03 Biennium</b>	<b>21,089</b>	<b>84,098</b>	<b>105,187</b>
Fiscal Year 2002 Total	11,309	41,441	52,750
Fiscal Year 2003 Total	9,780	42,657	52,437

**Comments:**

1. **Vendor Rate Increases** - Funding is provided for a 2.1 percent increase in the rates paid to providers of extended supported employment services effective July 1, 2001, and for an additional 2.3 percent rate increase on July 1, 2002.
2. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
3. **ESS Phase Down** - Funding is adjusted to the projected level needed to continue extended job support services (ESS) for all persons currently enrolled in the program. Because the program no longer reflects current approaches to employment for persons with disabilities, new admissions to the program have been frozen for a number of years in order to allow a gradual phase-out.
4. **Centennial Buildings Lease Savings** - Lease costs are reduced due to the purchase of the Centennial buildings in Tacoma.
5. **Serve Additional Persons** - State matching funds are provided to assure that Washington is able to collect all funds which are expected to be available to it under the federal vocational rehabilitation formula grant. (General Fund-State, General Fund-Federal, General Fund-Local)

\* Please see the 2001 Supplemental Operating Budget Section for additional information.

## Department of Social and Health Services Administration & Supporting Services

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>46,123</b>	<b>43,947</b>	<b>90,070</b>
2001 Supplemental *	6,016	3,930	9,946
<b>Total 1999-01 Biennium</b>	<b>52,139</b>	<b>47,877</b>	<b>100,016</b>
<b>2001-03 Maintenance Level</b>	<b>57,702</b>	<b>49,400</b>	<b>107,102</b>
<b>Policy Changes</b>			
1. General Inflation	-265	-113	-378
2. Payment Review Program	648	1,376	2,024
3. Centennial Buildings Lease Savings	-3	-1	-4
4. State Hospital Billing System	164	71	235
5. Financial Rptg Improvement Project	1,365	555	1,920
6. Foster Care Trust Fund System	202	84	286
<b>Total 2001-03 Biennium</b>	<b>59,813</b>	<b>51,372</b>	<b>111,185</b>
Fiscal Year 2002 Total	30,444	26,404	56,848
Fiscal Year 2003 Total	29,369	24,968	54,337

**Comments:**

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
2. **Payment Review Program** - Funding is provided for the Payment Review Program. This funding will cover three items: 1) the contract amount that exceeded the original estimate for the fraud and abuse detection system vendor; 2) an algorithm specialist who will respond to provider inquiries and relate them to data analysis and detailed algorithm results and findings; and 3) enhancements to the travel and training budget. (General Fund-State, General Fund-Federal)
3. **Centennial Buildings Lease Savings** - Lease costs are reduced due to the purchase of the Centennial buildings in Tacoma.
4. **State Hospital Billing System** - The Health Care Financing Administration (HCFA) has directed the Mental Health Division to improve billing compliance with federal regulations. HCFA requires no less than 95 percent compliance with charges submitted, but the Finance Division has only achieved a 70 percent compliance level. Funding is provided for a fiscal technician and an accountant 2 to achieve billing compliance and reduce the payment backlog. (General Fund-State, General Fund-Federal)
5. **Financial Rptg Improvement Project** - One-time funding is provided for a joint effort between the Department of Social and Health Services (DSHS) Finance Division and the Office of Financial Management (OFM) for the development and maintenance of a new financial reporting system. The new system will bring DSHS in line with other state agencies that use the Agency Financial Reporting System (AFRS) and will move the responsibility of the cost allocation system to OFM. This move to AFRS will save DSHS \$517,000 per year in FY 2004 and every year thereafter. (General Fund-State, General Fund-Federal)
6. **Foster Care Trust Fund System** - One-time funding is provided to develop a comprehensive management and accounting system for the Children's Administration Case and Management Information System (CAMIS). The current accounting system for foster care trust funds could result in audit findings and disallowance of federal funds. A new system will automate the distribution of funds and provide immediate updates of financial information to social workers. (General Fund-State, General Fund-Federal)

\* Please see the 2001 Supplemental Operating Budget Section for additional information.

## Department of Social and Health Services Payments to Other Agencies

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>62,415</b>	<b>21,932</b>	<b>84,347</b>
2001 Supplemental *	0	52	52
<b>Total 1999-01 Biennium</b>	<b>62,415</b>	<b>21,984</b>	<b>84,399</b>
<b>2001-03 Maintenance Level</b>	<b>86,106</b>	<b>26,665</b>	<b>112,771</b>
<b>Total 2001-03 Biennium</b>	<b>86,106</b>	<b>26,665</b>	<b>112,771</b>
Fiscal Year 2002 Total	43,053	13,332	56,385
Fiscal Year 2003 Total	43,053	13,333	56,386

**Comments:**

No budget changes were recommended which reflect a change in statute or agency policy.

\* Please see the 2001 Supplemental Operating Budget Section for additional information.

## Other Human Services

### **Basic Health Plan**

A total of \$496 million is provided from the Health Services Account for operation of the Basic Health Plan. This is an \$82 million (20 percent) increase from the 1999-01 level, due to escalation in the rates charged by managed care plans to provide coverage for Basic Health enrollees. The total increase would be greater, but \$26.5 million of state costs are avoided by subsidizing enrollment for 125,000 persons per month, rather than 133,000 as originally planned. Additionally, the amount which enrollees are required to contribute toward the cost of their prescriptions is increased by \$2, for an anticipated savings of \$2.6 million.

### **Criminal Justice Training Commission**

The budget provides funding for a variety of activities at the state and local levels to address methamphetamine issues. In the Criminal Justice Training Commission's budget, \$233,000 is provided to train and equip local law enforcement personnel to respond to clandestine drug labs.

Funding in the amount of \$450,000 is provided for the Washington Association of Sheriffs and Police Chiefs to implement school mapping, or electronic pre-incident plans, for K-12 schools. Additionally, \$65,000 is provided to establish regionalized training programs for school district and local law enforcement officials on school safety issues.

The budget provides \$374,000 for the implementation of Chapter 167, Laws of 2001 (HB 1062), which establishes a certification and de-certification process for police officers in the state.

### **Department of Labor and Industries**

The budget provides a total of \$11 million from the Accident Account and Medical Aid Account for six technology improvement projects. These projects will improve claims collections, assess the feasibility of filing claims over the Internet, allow for payment of premiums over the Internet, improve the system that calculates pension benefits, develop a new system for collection and analysis of worker safety and health data, and allow for registration and licensing of electrical contractors over the Internet.

Funding for the crime victims compensation program is increased by \$3 million from the Public Safety and Education Account.

The budget provides \$2.9 million of one-time funding for the increased cost of calculating injured workers' benefits under a recent state Supreme Court ruling (Cockle Decision). This funding, from the Accident Account and Medical Aid Account, is provided for fiscal year 2002. The Department is required to propose legislation that would provide greater certainty and simplicity in calculating benefits.

The budget reduces \$10 million in Medical Aid Account funding for the occupational health and safety grant program.

### **Department of Health**

A total of \$10.6 million is appropriated to provide the new pneumococcal conjugate vaccine to all children under the age of two. The vaccine has been determined effective in the prevention of middle-ear infections, sinus infections, and meningitis among young children.

Funding for the state's comprehensive effort to reduce tobacco use is increased by \$5 million over the biennium, to a total of \$17.5 million per year.

New grants totaling \$1.6 million will be provided to assist local jurisdictions in assuring the safety of very small drinking water systems. Additionally, \$1.2 million is provided to monitor and assist larger systems in complying with increased standards mandated by the federal Safe Drinking Water Act.

Funding for the AIDS Prescription Drug Program is increased by \$1.8 million, to keep pace with enrollment in the program, which is expected to grow by 14 percent per year.

The cost of the above enhancements is partially offset by a number of program reductions and efficiencies. These include an \$840,000 reduction in agency administrative costs, and a \$714,000 reduction in funding for coordination and management of the statewide trauma system.

### **Department of Veterans' Affairs**

A total of \$11 million is provided to establish and operate a state veterans' home in Spokane. This will be the first time the state has operated a veterans' facility in eastern Washington. The Department will also reconfigure 65 beds at the two western Washington facilities to provide a higher level of care. Increased federal revenues and resident contributions, resulting in a \$0.6 million savings in state-fund expenditures, will offset the cost of this reconfiguration.

### **Department of Corrections**

A total of \$12.5 million is provided for the second phase of a project to replace the Offender-Based Tracking System with the new Offender Management Network Information (OMNI) system. The Department expects OMNI to improve reporting capabilities, reduce data entry efforts, and redirect staff time towards offender supervision. The total estimated cost of the replacement project is \$44 million.

Funding in the amount of \$12.9 million is provided to implement Chapter 196, Laws of 1999 (Offender Accountability Act), which made a variety of changes to the supervision of offenders in the community. With this increase, the budget provides approximately \$21.2 million for costs associated with the Offender Accountability Act in the 2001-03 biennium.

In the budget reductions submitted to the Governor, the Department identified a variety of steps that could result in cost savings. The budget assumes many of these efficiencies. Savings in the amount of \$5.8 million are achieved by: transferring female youthful offenders to a Juvenile Rehabilitation Administration facility; reducing goods and services expenditures; lease-purchasing equipment with longer life cycles; modifying the reimbursement schedule for the inpatient treatment of offenders in hospitals; and reducing facility maintenance activities.

Savings of \$1.2 million are achieved through the elimination of staffed law libraries. The Department will continue to contract with private attorneys and law firms to provide legal counsel to offenders.

### **Services for the Blind**

An additional \$270,000 is provided for technological devices that will assist people with visual impairments get and keep jobs. State financial assistance is increased by \$100,000 (25 percent) for the center that provides comprehensive services for persons who are both deaf and blind.

### **Sentencing Guidelines Commission**

The budget provides \$78,000 for the Sentencing Guidelines Commission to conduct a comprehensive review and evaluation of state sentencing policy. The review and evaluation will include an analysis of whether current sentencing policies are consistent with the purposes of the Sentencing Reform Act and with prison capacity. In addition, the review and evaluation will consider studies on the cost-effectiveness of sentencing alternatives, as well as the fiscal impact of sentencing policies on state and local government.

**Employment Security**

The budget provides authority to spend \$3.2 million of one-time federal funding to improve the unemployment insurance program. Funds will be used to pay off the telecenter debt and improve telecenter operations, make corrections to the Department's benefit and tax systems, and improve other agency technology.

# Washington State Health Care Authority

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>13,004</b>	<b>590,219</b>	<b>603,223</b>
<b>2001-03 Maintenance Level</b>	<b>13,323</b>	<b>699,411</b>	<b>712,734</b>
<b>Policy Changes</b>			
1. Insurance System Upgrade	0	3,635	3,635
2. PEBB Administration	0	250	250
3. Basic Health Alternative Contracts	0	2,553	2,553
4. UMP Pharmacy Benefit Management	0	170	170
5. Basic Health Co-Pay and Subsidy	0	-2,622	-2,622
6. Administrative Efficiencies	-6	-1,085	-1,091
7. General Inflation	-8	-187	-195
8. Basic Health Plan Adjustment	0	-32,547	-32,547
<b>Total 2001-03 Biennium</b>	<b>13,309</b>	<b>669,578</b>	<b>682,887</b>
Fiscal Year 2002 Total	6,655	323,309	329,964
Fiscal Year 2003 Total	6,654	346,269	352,923

## Comments:

- Insurance System Upgrade** - The budget provides funding to enable the Health Care Authority (HCA) to contract for a new insurance eligibility and member management information system for the Basic Health and the Public Employees' Benefit health plans, in part to address the new requirements of the Health Insurance Portability and Accountability Act. (Health Care Authority Administrative Account-State, Health Services Account-State)
- PEBB Administration** - The Public Employees' Benefit Board (PEBB) Program enrollment for retirees and self-pay enrollees has increased over 20 percent since 1996. The HCA workload for these groups, including enrollment and account maintenance services, is much higher than for state employees. The budget funds a Medical Program Specialist position to develop tools and processes, in conjunction with a new information system, to improve customer service. The budget also funds two FTEs (four positions) to assist with customer inquiries and plan changes during open enrollment periods. The HCA is also directed to review whether the portion of retiree premiums assessed for administrative costs is adequate to fund the expenses incurred in providing services to retirees. (Health Care Authority Administrative Account-State)
- Basic Health Alternative Contracts** - Funding is provided for the Basic Health Plan (BHP) to develop and implement alternative purchasing strategies in areas of the state where managed care contractors might otherwise not be available for BHP enrollees. As authorized during the 2000 legislative session, this may include strategies such as differential geographic rating of bids and direct negotiation with plans and provider networks in areas where there are not sufficient competitive bids. (Health Services Account-State)
- UMP Pharmacy Benefit Management** - The Uniform Medical Plan (UMP) pharmacy claims costs have increased 28 percent from 1998 to 1999, as compared to 17 to 20 percent pharmacy increase nationwide. In order to better manage pharmacy costs, the budget provides funding for the UMP to contract with a pharmacy consultant to develop a pharmaceutical use policy and utilization review system and provide ongoing data analysis and recommendations for pharmacy benefit design and utilization management. (Uniform Medical Plan Benefits Administration Account-Non-Appropriated)
- Basic Health Co-Pay and Subsidy** - Enrollee co-pays are to be increased to \$3 (from \$1) for vitamins and antibiotics, and to \$7 (from \$5) for generic drugs and contraceptives. BHP subsidy levels are not reduced from their current level. (Health Services Account-State, Basic Health Plan Trust Account-Non-Appropriated)
- Administrative Efficiencies** - The HCA's central administration is reduced by 2 percent, as proposed by the Governor. Additionally, funding for research and planning is reduced to reflect actual 1999-01 spending levels. (General Fund-State, General Fund-Federal, Health Care Authority Administrative Account-State, Health Services Account-State)
- General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, Health Services Account-State, Health Care Authority Administrative Account-State)
- Basic Health Plan Adjustment** - Beginning in January 2002, monthly average of 125,000 people are to be enrolled in the subsidized BHP, rather than a monthly average of 133,200 as originally budgeted. The lower enrollment level is to be achieved through a policy of admitting only two new enrollees from the waiting list for every three persons who



## Washington State Health Care Authority

leave the program, until the targeted enrollment level is reached. (Health Services Account-State; Basic Health Plan Trust Account-Non-Appropriated)

# Washington State Health Care Authority

## WORKLOAD HISTORY

By Fiscal Year

	1994	1995	1996	1997	1998	1999	2000	Estimate		
								2001	2002	2003
<b>Basic Health Plan (Subsidized &amp; HCW) <sup>(1)</sup></b>	<b>29,731</b>	<b>37,580</b>	<b>61,773</b>	<b>124,348</b>	<b>127,582</b>	<b>129,873</b>	<b>130,995</b>	<b>132,667</b>	<b>128,877</b>	<b>126,811</b>
% Change from prior year		26.4%	64.4%	101.3%	2.6%	1.8%	0.9%	1.3%	-2.9%	-1.6%
Regular Enrollees	29,731	37,580	61,590	123,555	126,472	128,610	129,530	131,111	127,192	125,000
% Change from prior year		26.4%	63.9%	100.6%	2.4%	1.7%	0.7%	1.2%	-3.0%	-1.7%
Homecare Workers			184	792	1,110	1,263	1,464	1,556	1,685	1,811
% Change from prior year				331.2%	40.1%	13.8%	15.9%	6.3%	8.3%	7.5%

(1) State subsidy for "regular" enrollees is provided through the Health Care Authority budget. State and federal subsidy for homecare worker (HCW) enrollees is provided in the DSHS Long-Term Care and Developmental Disabilities budgets.

### Data Sources:

FY 1994 through FY 2001 from the Health Care Authority.

FY 2002 and FY 2003 estimates from the legislative fiscal staff.

## Human Rights Commission

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>5,147</b>	<b>1,574</b>	<b>6,721</b>
<b>2001-03 Maintenance Level</b>	<b>5,418</b>	<b>1,644</b>	<b>7,062</b>
<b>Policy Changes</b>			
1. General Inflation	-30	0	-30
<b>Total 2001-03 Biennium</b>	<b>5,388</b>	<b>1,644</b>	<b>7,032</b>
Fiscal Year 2002 Total	2,688	838	3,526
Fiscal Year 2003 Total	2,700	806	3,506

**Comments:**

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

## Board of Industrial Insurance Appeals

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>0</b>	<b>23,231</b>	<b>23,231</b>
<b>2001-03 Maintenance Level</b>	<b>0</b>	<b>25,395</b>	<b>25,395</b>
<b>Policy Changes</b>			
1. General Inflation	0	-146	-146
2. Upgrade Information Technology	0	1,013	1,013
3. Increase in Appeals Workload	0	2,066	2,066
4. Temp Costs for Cockle Decision	0	1,078	1,078
<b>Total 2001-03 Biennium</b>	<b>0</b>	<b>29,406</b>	<b>29,406</b>
Fiscal Year 2002 Total	0	15,413	15,413
Fiscal Year 2003 Total	0	13,993	13,993

**Comments:**

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Accident Account, Medical Aid Account)
2. **Upgrade Information Technology** - Technology infrastructure enhancements are funded to improve business processes. The implementation of a continuous replacement cycle of information technology items will enable upgrades to cables, networks, web servers, and wide area network. (Accident Account, Medical Aid Account)
3. **Increase in Appeals Workload** - The number of appeals heard by the Board of Industrial Insurance Appeals is increasing. Funding is provided for six additional judges and six support staff to help the agency provide services to workers, employers, and other parties who dispute the Department of Labor and Industries' workers' compensation decisions before the Board. (Accident Account, Medical Aid Account)
4. **Temp Costs for Cockle Decision** - One-time funding for FY 2002 is provided for the cost of implementing a recent state Supreme Court ruling regarding the calculation of workers' compensation benefits (Cockle Decision). The Department of Labor and Industries is to develop and recommend statutory language to the Legislature by October 1, 2001, that provides greater certainty and simplicity in the calculation of workers' compensation benefits. (Accident Account, Medical Aid Account)

# Washington State Criminal Justice Training Commission

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>0</b>	<b>17,880</b>	<b>17,880</b>
2001 Supplemental *	0	-728	-728
<b>Total 1999-01 Biennium</b>	<b>0</b>	<b>17,152</b>	<b>17,152</b>
<b>2001-03 Maintenance Level</b>	<b>0</b>	<b>17,923</b>	<b>17,923</b>
<b>Policy Changes</b>			
1. Vendor Rate Increase - WASPC	0	31	31
2. General Inflation	0	-311	-311
3. Certification/Decertification	0	374	374
4. School Mapping	0	450	450
5. Vendor Rate Increase - Food Service	0	22	22
6. Methamphetamine Initiative	0	233	233
7. School Safety Training	0	65	65
8. WASPC - Increased Training	0	124	124
9. Prosecutors - Increased Training	0	136	136
<b>Total 2001-03 Biennium</b>	<b>0</b>	<b>19,047</b>	<b>19,047</b>
Fiscal Year 2002 Total	0	9,537	9,537
Fiscal Year 2003 Total	0	9,510	9,510

**Comments:**

- Vendor Rate Increase - WASPC** - Funding is provided to increase the salaries of Washington Association of Sheriffs and Police Chiefs (WASPC) staff who are funded through the Commission but who are not Commission employees. Rates will be increased by 2.1 percent on July 1, 2001, and an additional 2.3 percent on July 1, 2002. (Public Safety and Education Account)
- General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Public Safety and Education Account)
- Certification/Decertification** - Funding is provided for the implementation of Chapter 167, Laws of 2001 (HB 1062), which establishes a certification and decertification process for police officers in the state. (Public Safety and Education Account)
- School Mapping** - Funding is provided for WASPC to implement school mapping, or electronic pre-incident plans, for K-12 schools. (Public Safety and Education Account)
- Vendor Rate Increase - Food Service** - The Commission's food service provider will have their rates increased by 2.1 percent on July 1, 2001, and an additional 2.3 percent on July 1, 2002. (Public Safety and Education Account)
- Methamphetamine Initiative** - The budget provides funding for a variety of activities at the state and local levels to address methamphetamine issues. In the Criminal Justice Training Commission's budget, funding is included to train and equip local law enforcement personnel to respond to clandestine drug labs. (Public Safety and Education Account)
- School Safety Training** - Funding is provided to establish regionalized training programs for school district and local law enforcement officials on school safety issues. (Public Safety and Education Account)
- WASPC - Increased Training** - Funding is provided to allow WASPC to increase the technical and training support provided to local criminal justice agencies in the use of the Washington Incident-Based Reporting System and the National Incident-Based Reporting System. (Public Safety and Education Account)
- Prosecutors - Increased Training** - Funding is provided to allow the Washington Association of Prosecuting Attorneys to increase the training provided to the criminal justice community including prosecutors, law enforcement, judges, fish and wildlife officers, corrections staff, school personnel, and Department of Social and Health Services staff. (Public Safety and Education Account)

\* Please see the 2001 Supplemental Operating Budget Section for additional information.

## Department of Labor and Industries

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>14,508</b>	<b>408,914</b>	<b>423,422</b>
2001 Supplemental *	0	1,400	1,400
<b>Total 1999-01 Biennium</b>	<b>14,508</b>	<b>410,314</b>	<b>424,822</b>
<b>2001-03 Maintenance Level</b>	<b>15,510</b>	<b>429,382</b>	<b>444,892</b>
<b>Policy Changes</b>			
1. Consumer Protection/Contractors	268	0	268
2. Improving Claims Collection	0	2,690	2,690
3. Internet Filing of Claims	0	1,520	1,520
4. Internet Payment of Premiums	0	1,394	1,394
5. Faster Pension Benefits	0	2,352	2,352
6. Critical Safety and Health Data	0	2,942	2,942
7. Internet Registration and Licensing	0	445	445
8. General Inflation	-38	-2,063	-2,101
9. Expanding Apprenticeship	0	1,250	1,250
10. Sexually Violent Predator Victims	0	53	53
11. Replace Incompatible Computers	0	3,868	3,868
12. Program Reductions	-320	0	-320
13. Increase for Crime Victims Comp	0	3,014	3,014
14. Temp Cost for Cockle Decision	0	2,876	2,876
15. Cut Occupational Safety Grants	0	-10,000	-10,000
<b>Total 2001-03 Biennium</b>	<b>15,420</b>	<b>439,723</b>	<b>455,143</b>
Fiscal Year 2002 Total	7,738	225,439	233,177
Fiscal Year 2003 Total	7,682	214,284	221,966

### Comments:

1. **Consumer Protection/Contractors** - Funding is provided for activities to increase consumer awareness of available legal protection and contractor awareness of legal obligations. Funding is also provided to increase enforcement against unregistered contractors.
2. **Improving Claims Collection** - Funding is provided to replace the claims accounts receivable system which is used to collect \$8.5 million in yearly overpayments of workers' compensation claims and to recover \$17 million per year in workers' compensation costs from third parties. The new system will facilitate computation and collection of interest on outstanding claims. The system is expected to increase post-implementation revenues by \$1,092,000 per year. (Accident Account, Medical Aid Account)
3. **Internet Filing of Claims** - Funding is provided for a study to assess the feasibility of using electronic commerce to exchange information, which may include claim-related reports, forms and bills, and Department information. Based on the results of the feasibility study, one or more components of the recommended solution would be piloted. (Accident Account, Medical Aid Account)
4. **Internet Payment of Premiums** - Funding is provided to develop systems that allow employers to file and pay workers' compensation premiums via the Internet. Features to be included are the development of an interface with automatic error checking, a secure encrypted environment, online help, and automated electronic payment methods. (Accident Account, Medical Aid Account)
5. **Faster Pension Benefits** - Under the workers' compensation program, pensions are provided to 17,500 permanently disabled workers and surviving beneficiaries. Funding is provided to develop a new pension payment system to replace a manual system that is being used to calculate and process pensions. (Accident Account, Medical Aid Account)
6. **Critical Safety and Health Data** - Establishes a computer data system that will be used to track workplace safety and health activities, manage resources, and identify the most hazardous industries. The system would also provide data to other Department of Labor & Industries (L&I) information systems. This new system is necessary because the U.S. Occupational Safety and Health Administration is replacing its computer system with one that is incompatible with L&I systems. (Accident Account, Medical Aid Account)
7. **Internet Registration and Licensing** - Funding is provided to develop a computer system that would allow electrical contractors to apply for licenses using the Internet. The new system will provide contractors with 24-hour access and improve accuracy and speed through automation. (Electrical License Account)

## Department of Labor and Industries

8. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, Other Funds)
9. **Expanding Apprenticeship** - Authority is provided to expand the Apprenticeship Program contingent on the availability of federal funding. A grant program is established to encourage new apprenticeship and pre-apprenticeship programs. In addition, new apprenticeship programs will be developed for non-traditional areas such as telecommunications, child care services, and public services. (General Fund-Federal)
10. **Sexually Violent Predator Victims** - Funding is provided to implement Chapter 153, Laws of 2001 (SB 5270 - Modifying Requirements for Certain Victims of Sexually Violent Predators to be Eligible for Victims' Compensation), which allows victims involved in the civil commitment process of sexually violent predators to access benefits under the Crime Victims Compensation Act. (Public Safety and Education Account-State)
11. **Replace Incompatible Computers** - Funding is provided to lease 1,400 new personal computers, to update 1,400 other computers, and to support migration to Microsoft Windows 2000. In the 1999-01 biennium, L&I received an appropriation to begin implementation of a continuous three-year replacement cycle for computers and this item provides funding to continue that replacement cycle. (Accident Account, Medical Aid Account)
12. **Program Reductions** - Funding is reduced for factory-assembled structures activities and contractor registration hotline staff.
13. **Increase for Crime Victims Comp** - Funding is increased for victims of violent crime. This amount covers expected inflation, growth in claim costs for medical, time loss, and pensions, and no policy changes for attendant care services. (Public Safety and Education Account-State, Public Safety and Education Account-Federal)
14. **Temp Cost for Cockle Decision** - One-time funding for FY 2002 is provided for the cost of implementing a recent state Supreme Court ruling regarding the calculation of workers' compensation benefits (Cockle Decision). L&I is to develop and recommend statutory language to the Legislature by October 1, 2001, that provides greater certainty and simplicity in the calculation of workers' compensation benefits. (Accident Account, Medical Aid Account)
15. **Cut Occupational Safety Grants** - Funding for occupational health and safety grants in the carryforward level budget is eliminated. (Medical Aid Account)

\* Please see the 2001 Supplemental Operating Budget Section for additional information.

### *Governor's Vetoes:*

The Governor vetoed Section 217(4) of Chapter 7, Laws of 2001, 2nd sp.s., Partial Veto (ESSB 6153), which prohibited the Department from expending funds for the occupational safety and health impact grants program.

## Indeterminate Sentence Review Board

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>1,854</b>	<b>0</b>	<b>1,854</b>
<b>2001-03 Maintenance Level</b>	<b>2,004</b>	<b>0</b>	<b>2,004</b>
<b>Policy Changes</b>			
1. General Inflation	-6	0	-6
<b>Total 2001-03 Biennium</b>	<b>1,998</b>	<b>0</b>	<b>1,998</b>
Fiscal Year 2002 Total	999	0	999
Fiscal Year 2003 Total	999	0	999

**Comments:**

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.



## Department of Veterans' Affairs

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>18,364</b>	<b>41,342</b>	<b>59,706</b>
2001 Supplemental *	0	52	52
<b>Total 1999-01 Biennium</b>	<b>18,364</b>	<b>41,394</b>	<b>59,758</b>
<b>2001-03 Maintenance Level</b>	<b>20,238</b>	<b>42,587</b>	<b>62,825</b>
<b>Policy Changes</b>			
1. Vendor Rate Increase	98	0	98
2. Bed Conversion	-616	2,364	1,748
3. PTSD Counseling	0	74	74
4. Homeless Veterans Grant	0	155	155
5. Statewide Outreach	36	0	36
6. Eastern Washington Veterans' Home	0	11,041	11,041
<b>Total 2001-03 Biennium</b>	<b>19,756</b>	<b>56,221</b>	<b>75,977</b>
Fiscal Year 2002 Total	10,980	26,947	37,927
Fiscal Year 2003 Total	8,776	29,274	38,050

### Comments:

1. **Vendor Rate Increase** - The budget provides funding for a 2.1 percent inflationary increase effective July 2001 and a second 2.3 percent increase effective July 2002 for organizations which contract with the Department of Veterans' Affairs to provide support services for homeless veterans; post traumatic stress counseling; and assistance with applications for federal benefits.  
to assist with start-up of the facility during the first year of the biennium will be offset by increased federal revenues in FY 2003. (General Fund-State, General Fund-Federal, General Fund-Private/Local)
2. **Bed Conversion** - The Department of Veterans' Affairs will reconfigure 65 beds at the state veterans' homes to provide a higher level of nursing care. The additional cost of providing the higher level of care is offset by additional federal revenues and higher resident pension benefits, resulting in a net savings to the state general fund. (General Fund-State, General Fund-Federal, General Fund-Private/Local)  
\* Please see the 2001 Supplemental Operating Budget Section for additional information.
3. **PTSD Counseling** - The agency has received a contract from King County to provide additional post-traumatic stress disorder (PTSD) treatment services in the county. (General Fund-Private/Local)
4. **Homeless Veterans Grant** - Federal grant funds have been obtained to provide additional services for homeless veterans. (General Fund-Federal)
5. **Statewide Outreach** - Funding is provided to recruit and train additional volunteers who will assist veterans in underserved areas obtain federal benefits for which they are eligible.
6. **Eastern Washington Veterans' Home** - Funding is provided for acquisition and operation of a new state veterans' facility in eastern Washington. The Department will acquire an existing nursing facility in the Spokane area through a lease-purchase arrangement and operate it with a combination of federal funding, resident charges, and state and federal Medicaid payments. A \$400,000 appropriation

## Department of Health

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>127,124</b>	<b>438,131</b>	<b>565,255</b>
2001 Supplemental *	0	6,390	6,390
<b>Total 1999-01 Biennium</b>	<b>127,124</b>	<b>444,521</b>	<b>571,645</b>
<b>2001-03 Maintenance Level</b>	<b>133,088</b>	<b>479,546</b>	<b>612,634</b>
<b>Policy Changes</b>			
1. WIC Program Efficiencies	-418	0	-418
2. Reduce Teen Pregnancy Grants	-1,116	0	-1,116
3. Community Wellness and Prevention	-68	0	-68
4. Reduce EMS Coordination Activities	-214	0	-214
5. Reduce StateTrauma Administration	-714	0	-714
6. Federal Revenue	0	1,173	1,173
7. Technology for Newborn Screen	0	660	660
8. Consolidate Water Lab Testing	-307	0	-307
9. Safe Drinking Water Fed Compliance	2,876	0	2,876
10. Delay Shellfish Database	-60	0	-60
11. American Legacy Foundation Grant	0	1,443	1,443
12. Regulating Meth Precursor Drug	13	0	13
13. Reduce Acute Care Education	-162	0	-162
14. Eliminate Rural Health Data Book	-38	0	-38
15. Medicare Designation Startup	-177	0	-177
16. Child Health Enhancements	166	10,444	10,610
17. AIDS Prescription Drug Increase	1,031	808	1,839
18. DSHS/DASA Appropriation Transfer	340	0	340
19. General Inflation	-517	-482	-999
20. Administrative Reductions	-840	0	-840
21. Create Child Development Office	-882	0	-882
22. Infant & Children Product Safety	150	0	150
23. Workplace Breastfeeding Policy	83	0	83
24. Health Professions Acct Legislation	0	248	248
25. Dental Sealants	0	72	72
26. Tobacco Control Plan	0	5,000	5,000
27. DNA Task Force	15	0	15
<b>Total 2001-03 Biennium</b>	<b>132,249</b>	<b>498,912</b>	<b>631,161</b>
Fiscal Year 2002 Total	65,308	253,377	318,685
Fiscal Year 2003 Total	66,941	245,535	312,476

### Comments:

1. **WIC Program Efficiencies** - During the summer of 2000, the Department of Health (DOH) began providing "help desk" support for Womens, Infants, and Children (WIC) clinics with state employees, rather than contracting for the service. The change has resulted in the identified efficiency savings, with no reduction reported in the level of support provided to clinics. (General Fund-State)
2. **Reduce Teen Pregnancy Grants** - Direct grant support from DOH for nine of the ten teen pregnancy prevention projects in urban and rural communities is discontinued. Similar efforts are to be supported with Temporary Assistance for Needy Families (TANF) block grant funding from the Department of Social and Health Services.
3. **Community Wellness and Prevention** - Assessment, evaluation, and surveillance for Community Wellness and Prevention Programs are discontinued.
4. **Reduce EMS Coordination Activities** - State general funds will no longer be provided to the regional Emergency Medical Services (EMS) and Trauma Care Councils to promote emergency medical dispatch training; to participate in local and regional disaster preparedness training; or to support quality improvement initiatives.
5. **Reduce StateTrauma Administration** - Funding for state-level oversight, coordination, and state office assistance to the regional trauma networks is reduced by 20 percent. Such a reduction in state-level activity is warranted, since the startup work necessary to establish a well-functioning statewide trauma system has been largely accomplished. Standards, protocols, and training curricula have been developed; data systems established; and trauma providers certified in all regions.

## Department of Health

6. **Federal Revenue** - Federal grants have been awarded to DOH for: Early Hearing Detection and Intervention, State-Based Birth Defects Surveillance Program, Improving Data Quality in Pesticide Illness; and Federal Domestic Violence for Pregnant Women. (General Fund-Federal)
7. **Technology for Newborn Screen** - DOH will begin using a non-radioactive test to screen for certain conditions among newborns, in order to eliminate the need to dispose of radioactive wastes. The new test is more expensive than the old, radioactive technology. As a result, the fee for newborn screening is expected to increase to \$38.20 from the current level of \$33.80. (General Fund-Private/Local)
8. **Consolidate Water Lab Testing** - DOH operates a program which certifies drinking water testing laboratories and maintains its own drinking water laboratory to support the certification program. During the first year of the biennium, the separate DOH certification program and laboratory will be closed, and merged with the other environmental laboratory certification programs operated by the Department of Ecology. Savings will result from the greater economies of scale possible under the larger, merged program.
9. **Safe Drinking Water Fed Compliance** - Under state law and agreement with the federal government, DOH is responsible for enforcing federal Safe Drinking Water Act provisions, which apply to the approximately 5 million citizens of the state who rely upon water systems which serve 15 or more connections. The number of contaminants subject to federal regulation is scheduled to increase by 20 percent between 1996 and 2002, and new rules regarding groundwater safety must be fully implemented in the 2001-03 biennium. This item provides funding for contracted technical support to assist local water systems in implementing the new requirements; additional state staff to monitor compliance; and \$1.6 million of new state funding to assist local jurisdictions to continue and improve their role in assuring the safety of small water systems, which serve approximately 100,000 of the state's residents.
10. **Delay Shellfish Database** - The DOH Shellfish Program is developing an integrated database for water quality and other program elements, including biotoxins and licensing of commercial shellfish growers. The water quality portion of the database has been completed. The development of the remaining portions of the database will be extended over a longer period.
11. **American Legacy Foundation Grant** - The American Legacy Foundation has awarded the state a three-year grant totaling \$2.25 million under the Statewide Youth Movement Against Tobacco Use Initiative. The Department, through its subcontract with the University of Washington, will foster a statewide youth empowerment initiative by creating regional teams to develop media efforts to reduce youth tobacco use. Partner organizations will include school districts, voluntary community organizations, voluntary health organizations, and universities. (General Fund-Private/Local)
12. **Regulating Meth Precursor Drug** - Chapter 96, Laws of 2001 (ESSB 5017), restricts the purchase in large quantities of certain over-the-counter medications that are sometimes used in the manufacture of methamphetamine. Funding is provided for DOH to develop regulations implementing the new law.
13. **Reduce Acute Care Education** - The Regional Trauma Care Councils will no longer receive designated funding for training of acute care and rehabilitation facility personnel. Trauma and rehabilitation facilities can use other state funds which they receive from trauma participation grants for this training.
14. **Eliminate Rural Health Data Book** - The Rural Health Data Book contains information on health status and systems. It has been produced every two years. Funding for this publication is eliminated.
15. **Medicare Designation Startup** - This item eliminates the state share of the startup funding which was provided at the beginning of the 1999-01 biennium to assist small rural hospitals in preparing for the "critical access hospital" designation which would enable them to qualify for higher federal Medicare payments. Approximately \$450,000 per year of federal funding subsequently became available for the same purpose in the 1999-01 biennium.
16. **Child Health Enhancements** - Funding is provided to add the new pneumococcal conjugate vaccine to the list of state-funded vaccines. Under the "universal distribution" policy first adopted by Washington State in the 1991 budget, the State makes medically-recommended childhood vaccines available free of charge for all children through age five. Inclusion of a vaccine on the universal distribution list means that all doses used in the State may be purchased at the federal discount rate, which is substantially lower than if they were purchased privately. In addition, health care providers are freed from the administrative burden of separately accounting for the income and insurance status of immunized children. The pneumococcal conjugate vaccine has been determined by the federal Centers for Disease Control to be cost-effective in the prevention of meningitis, middle ear, blood stream, and sinus infections among children under age two. (General Fund-State, Health Services Account-State)
17. **AIDS Prescription Drug Increase** - The AIDS Prescription Drug Program (APDP) uses state and federal funds to pay for prescription medications, laboratory services, and outpatient medical care for persons with HIV infection and incomes below 370 percent of the federal poverty level. Enrollment in the program is increasing by about 14 percent per year, and is expected to reach 2,600 by the end of the 2001-03 biennium. Expenditures per enrollee are expected to increase by only about 3 percent per year, primarily

## Department of Health

because a larger share of enrollees are expected to receive insurance coverage through the high-risk pool. (General Fund-State, General Fund-Federal, General Fund-Local)

18. **DSHS/DASA Appropriation Transfer** - Funding is transferred from the Department of Social and Health Services Division of Alcohol and Substance Abuse (DSHS/DASA) to DOH for screening by providers aimed at reducing perinatal substance abuse.
19. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal, General Fund-Local, Health Professions Account)
20. **Administrative Reductions** - Administrative reductions will occur throughout the Department and at the State Board of Health. Examples of these reductions may include, but are not limited to changing business practices, reducing levels of policy support, limiting the use of consulting services, and implementing efficiency measures for mailings and publications.
21. **Create Child Development Office** - Child care and early learning programs from DSHS, DOH, and the Office of Financial Management are consolidated into a new division within the DSHS Economic Services Program. This division will coordinate and increase the focus of child care and early learning programs on quality and availability of care.
22. **Infant & Children Product Safety** - Funds are provided for DOH to establish and maintain a safety education campaign pursuant to the criteria established in Chapter 257, Laws of 2001 (SHB 1365). The campaign will promote awareness of products designed to be used by infants and children that have been determined to be unsafe by the Consumer Products Safety Commission. (General Fund-State)
23. **Workplace Breastfeeding Policy** - Funds are provided for DOH to develop and implement infant-friendly designations for state and local governments and businesses who support a workplace breastfeeding policy as established in Chapter 88, Laws of 2001 (2SHB 1590). (General Fund-State)
24. **Health Professions Acct Legislation** - Funding is provided to implement the provisions of the following bills: Chapter 22, Laws of 2001 (HB 1309); Chapter 248, Laws of 2001 (SSB 5565); Chapter 297, Laws of 2001 (SSB 5621); and Chapter 251, Laws of 2001 (ESSB 5877). (Health Professions Account-State)
25. **Dental Sealants** - Chapter 93, Laws of 2001 (SSB 6020), authorizes registered dental hygienists to administer dental sealants and fluoride varnishes without a dentist's supervision in schools with a significant percentage of low-income students. Funding is provided for DOH to develop a training and certification program for newly-licensed hygienists and dental assistants who wish to perform this service. This cost is to be covered with applicant fees. (Health Professions Account-State)
26. **Tobacco Control Plan** - Expenditures on the state's efforts to reduce and prevent tobacco use are increased to \$17.5 million per year. Funding for this purpose comes from the \$100 million of national tobacco settlement revenues, which the 1999 Legislature directed be deposited into a special interest-bearing account dedicated to the prevention and reduction of tobacco use. (Tobacco Prevention and Control Account-State)
27. **DNA Task Force** - The state Board of Health is to convene a task force on policy issues associated with human deoxyribonucleic acid (DNA) information. The task force is to research and recommend policies for consideration by the Legislature regarding how to safeguard individuals from discrimination and invasion of privacy based on individual genetic information, while continuing to support uses of the information which promote public health and safety. Funding is provided to support task force travel and other operating costs.

\* Please see the 2001 Supplemental Operating Budget Section for additional information.

## Department of Corrections

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>910,616</b>	<b>66,675</b>	<b>977,291</b>
2001 Supplemental *	3,465	-9,594	-6,129
<b>Total 1999-01 Biennium</b>	<b>914,081</b>	<b>57,081</b>	<b>971,162</b>
<b>2001-03 Maintenance Level</b>	<b>1,048,907</b>	<b>37,735</b>	<b>1,086,642</b>
<b>Policy Changes</b>			
1. Vendor Rate Increase	1,774	0	1,774
2. General Inflation	-5,974	-150	-6,124
3. Tracking System Replacement Phase 2	9,246	3,254	12,500
4. Efficiency and Quality Initiatives	-3,186	0	-3,186
5. Equipment Savings	-1,858	0	-1,858
6. Cost of Incarceration Funds	-5,568	0	-5,568
7. Medical Payments	-831	0	-831
8. Offender Legal Services	-1,192	0	-1,192
9. Correctional Industries	-1,888	0	-1,888
10. Interstate Supervision Compact	60	0	60
11. Sex Offender Sentencing	98	0	98
<b>Total 2001-03 Biennium</b>	<b>1,039,588</b>	<b>40,839</b>	<b>1,080,427</b>
Fiscal Year 2002 Total	514,013	21,113	535,126
Fiscal Year 2003 Total	525,575	19,726	545,301

### Comments:

1. **Vendor Rate Increase** - Funding is provided to increase the rates paid to vendors such as education and chemical dependency providers and work release operators by 2.1 percent on July 1, 2001, and an additional 2.3 percent on July 1, 2002.
2. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, Other Funds)
3. **Tracking System Replacement Phase 2** - Beginning in the 1999-01 biennium, the Department of Corrections (DOC) initiated a multi-phased project designed to replace its Offender Based Tracking System (OBTS). Funding is provided for the second phase of a project to replace OBTS with the new Offender Management Network Information (OMNI) system, which is expected to improve the Department's reporting capabilities, reduce data entry efforts, and redirect staff time towards offender supervision. The full cost of the OMNI project is estimated to be \$44 million. (General Fund-State, Violence Reduction and Drug Enforcement Account-State)
4. **Efficiency and Quality Initiatives** - Savings are achieved by transferring female youthful offenders to a Juvenile Rehabilitation Administration facility, reducing goods and services expenditures, and reducing facility maintenance activities. Additionally, \$1 million in new small maintenance projects will be funded in the capital budget rather than the operating budget.
5. **Equipment Savings** - Savings are achieved by using a 5-year lease purchase option to replace equipment that has exceeded its life expectancy as well as for facility start-up equipment.
6. **Cost of Incarceration Funds** - The Department's Correctional Industries (CI) program will increase use of the Cost of Incarceration funds. The funds are available due to the settlement of legal issues around the constitutionality of certain kinds of deductions from monies received by inmates from outside sources. (General Fund-State, Correctional Industries Revolving Fund-Non-Appropriated)
7. **Medical Payments** - Funding is adjusted for the Department to reimburse hospitals under the diagnosis-related group reimbursement schedule utilized and maintained by the Department of Social and Health Services.
8. **Offender Legal Services** - DOC contracts with private attorneys and law firms to provide legal counsel to offenders. Also, offenders are currently provided access to staffed law libraries at all institutions with the exception of pre-release and work release facilities. Funding for law libraries is eliminated. The Department will continue to contract with private attorneys and law firms to provide legal counsel to offenders.
9. **Correctional Industries** - The majority of costs associated with CI operations are funded through revenues generated from product sales. Based on updated revenue and sales projections, it is assumed that the Department will increase its utilization of the non-appropriated, non-budgeted Correctional Industries Revolving Account to fund CI inmate

## Department of Corrections

work programs. (General Fund-State, Correctional Industries Revolving Fund-Non-Appropriated)

10. **Interstate Supervision Compact** - Funding is provided for the implementation of Chapter 35, Laws of 2001 (SSB 5118), which enacts a new reciprocal agreement among states for the supervision of offenders.
11. **Sex Offender Sentencing** - Funding is provided for the implementation of Chapter 12, Laws of 2001, 2nd sp.s., (3ESSB 6151 - High-Risk Sex Offenders), which modifies sentencing provisions for certain sex offenders.

\* Please see the 2001 Supplemental Operating Budget Section for additional information.

# Department of Corrections

## WORKLOAD HISTORY

By Fiscal Year

	1994	1995	1996	1997	1998	1999	2000	Estimate		
								2001	2002	2003
<b>Community Supervision <sup>(1)</sup></b>										
# Active (Non-Monetary) Offenders	24,987	26,458	28,700	28,961	31,173	30,973	30,278	30,170	30,197	30,272
% Change from prior year		5.9%	8.5%	0.9%	7.6%	-0.6%	-2.2%	-0.4%	0.1%	0.2%
# of Monetary Only Offenders	19,726	21,291	22,284	22,997	23,115	22,979	26,458	27,443	27,468	27,536
% Change from prior year		7.9%	4.7%	3.2%	0.5%	-0.6%	15.1%	3.7%	0.1%	0.2%
<b>Work Release</b>										
Avg Daily Pop/Month	542	576	604	622	612	636	642	699	699	699
% Change from prior year		6.3%	4.9%	3.0%	-1.6%	3.9%	0.9%	8.9%	0.0%	0.0%
<b>Institutions</b>										
Avg Daily Pop/Month	9,949	10,421	11,177	11,968	12,694	13,629	13,910	14,202	14,253	14,335
% Change from prior year		4.7%	7.3%	7.1%	6.1%	7.4%	2.1%	2.1%	0.4%	0.6%
<b>Average Cost Per Inmate <sup>(2)</sup></b>										
Annual	22,903	23,610	23,394	22,906	22,986	22,849	23,775	25,595	25,887	26,524
% Change from prior year		3.1%	-0.9%	-2.1%	0.3%	-0.6%	4.1%	7.7%	1.1%	2.5%

(1) Data reflect end of year caseloads. With the enactment of the Offender Accountability Act (Chapter 196, Laws of 1999), and beginning in FY 2000, the Department may contract out for the supervision of monetary only offenders.

(2) Cost per offender includes institutions, pre-releases, and work-releases.

### Data Sources :

Caseload Forecast Council, Department of Corrections, and legislative fiscal staff.

## Department of Services for the Blind

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>2,994</b>	<b>12,936</b>	<b>15,930</b>
2001 Supplemental *	0	550	550
<b>Total 1999-01 Biennium</b>	<b>2,994</b>	<b>13,486</b>	<b>16,480</b>
<b>2001-03 Maintenance Level</b>	<b>3,011</b>	<b>13,013</b>	<b>16,024</b>
<b>Policy Changes</b>			
1. Efficiency Reductions	-60	0	-60
2. Assistive Technology Program	270	0	270
3. Deaf-Blind Service Center	100	0	100
<b>Total 2001-03 Biennium</b>	<b>3,321</b>	<b>13,013</b>	<b>16,334</b>
Fiscal Year 2002 Total	1,693	6,508	8,201
Fiscal Year 2003 Total	1,628	6,505	8,133

**Comments:**

1. **Efficiency Reductions** - The Department will make general staffing reductions in the field programs.
2. **Assistive Technology Program** - State funds are provided so that additional persons may benefit from assistive technology devices such as document readers and speech synthesizers.
3. **Deaf-Blind Service Center** - Funding is provided to increase by 25 percent state assistance for job training, interpreter services, independent living instruction, adaptive technology, and other support services for persons who are both deaf and blind.

\* Please see the 2001 Supplemental Operating Budget Section for additional information.



## Sentencing Guidelines Commission

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>1,641</b>	<b>0</b>	<b>1,641</b>
<b>2001-03 Maintenance Level</b>	<b>1,801</b>	<b>0</b>	<b>1,801</b>
<b>Policy Changes</b>			
1. General Inflation	-8	0	-8
<b>Total 2001-03 Biennium</b>	<b>1,793</b>	<b>0</b>	<b>1,793</b>
Fiscal Year 2002 Total	936	0	936
Fiscal Year 2003 Total	857	0	857

**Comments:**

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

## Department of Employment Security

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>2,522</b>	<b>437,518</b>	<b>440,040</b>
2001 Supplemental *	0	7,814	7,814
<b>Total 1999-01 Biennium</b>	<b>2,522</b>	<b>445,332</b>	<b>447,854</b>
<b>2001-03 Maintenance Level</b>	<b>2,638</b>	<b>423,730</b>	<b>426,368</b>
<b>Policy Changes</b>			
1. General Inflation	-25	-5,296	-5,321
2. Improve Web-Based Security System	0	165	165
3. Reemployment Services	0	600	600
4. Integrate Labor Market Information	0	396	396
5. Unemployment Insurance Program	0	3,159	3,159
6. Overpayment Identification	0	972	972
7. Fund GF-S with Other Funds	-2,613	2,613	0
<b>Total 2001-03 Biennium</b>	<b>0</b>	<b>426,339</b>	<b>426,339</b>
Fiscal Year 2002 Total	0	223,024	223,024
Fiscal Year 2003 Total	0	203,315	203,315

### Comments:

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, Other Funds)
2. **Improve Web-Based Security System** - One-time funding is provided for security hardware and software for the Department's Internet-based systems. This security will allow people to file initial unemployment claims over the Internet while protecting the Department's confidential information. (Administrative Contingency Account-State)
3. **Reemployment Services** - One-time funding is provided to enhance the electronic model that is used to select and refer unemployment insurance claimants to reemployment services. The changes will identify the services that are most likely to lead to reemployment and reduce the amount of time individuals spend unemployed. (Employment Services Administrative Account-State)
4. **Integrate Labor Market Information** - The Department currently has labor market information on CD-ROM and the Internet. This initiative will make available several key labor market products including local wage rates, employment projections, job skills, employer listings, economic indicators, and news articles through one Internet website. (Administrative Contingency Account-State)
5. **Unemployment Insurance Program** - The agency has received federal funds for one-time unemployment insurance administrative expenses. These funds will be used to improve the effectiveness of the unemployment insurance claims telecenters, make corrections to the Department's benefit and tax systems, improve other agency technology, and pay off the telecenter debt. (Unemployment Compensation Administrative Account-Federal)
6. **Overpayment Identification** - The United States Department of Labor requires all states to use information from employers that is reported to the Department of Social and Health Services when a new employee is hired. Funding is provided to link the employer information to the fraud management system, which will allow earlier detection of overpayments. This also includes enhancements to the system that will improve identification of overpayments of unemployment insurance and balance staff workload. (Administrative Contingency Account-State)
7. **Fund GF-S with Other Funds** - Administrative Contingency Account funding is used to finance activities previously funded with General Fund-State. If revenues into the Administrative Contingency Account fall short of the agencies projections, reductions in the use of the fund for administrative purposes shall be made prior to reductions to direct client services or the current production of labor market information. The Department shall maintain its current level of labor market information, including requests for data and analysis from the Legislature, Governor's office, the Office of Financial Management, and the Economic and Revenue Forecast Council. (General Fund-State, Administrative Contingency Account-State)

\* Please see the 2001 Supplemental Operating Budget Section for additional information.

# Natural Resources

## **SALMON AND WATER**

Since 1991, the National Marine Fisheries Service and U.S. Fish and Wildlife Service have added 15 populations of salmon and trout to the endangered species list, covering three-quarters of the state. In 1998, the Legislature began funding watershed-based planning and salmon recovery programs toward a state goal of restoring salmon populations to healthy, harvestable levels.

In the 2001-03 biennium, new funding is provided for salmon recovery and associated water resources projects and programs. The capital budget provides \$133.2 million and the operating budget provides \$66.4 million in funding for these salmon and water programs. Descriptions of significant new programs or enhancements are organized according to the Statewide Strategy to Recovery Salmon.

### **Regional Response**

#### ➤ **Salmon Recovery Grant Funding**

The capital budget provides \$54.6 million (\$27.6 million General Fund-Federal and \$27 million in state bonds) to the Salmon Recovery Funding (SRF) Board for grants for salmon restoration projects and activities. These funds will be allocated to the highest priority projects across the state to remove fish passage barriers, restore fish habitat, reduce water quality degradation, and support community-based restoration efforts. The operating budget provides \$358,000 in federal funds and 1.8 FTEs for administration of the SRF Board.

#### ➤ **Watershed-Based Planning**

The Salmon Recovery Act of 1998 and the Watershed Planning Act of 1998 established separate watershed-based planning programs. The operating budget provides \$4.5 million from the general fund for the Department of Fish and Wildlife to continue to provide grants and technical assistance to lead entities that recommend salmon habitat improvement and restoration projects for funding by the Salmon Recovery Funding Board. The budget also provides \$3.1 million from the Water Quality Account and 3.5 FTEs to the Department of Ecology to make grants for watershed assessments and to provide technical assistance to local watershed planning groups. The budget also provides \$1 million from the Water Quality Account to the Department of Fish and Wildlife for grants to watershed groups that develop regional salmon recovery plans.

#### ➤ **Limiting Factors Analysis**

The operating budget provides \$1.6 million from the Water Quality Account for the Conservation Commission to complete the remaining limiting factors analyses that support lead entity decisions.

### **Science and Monitoring**

#### ➤ **Statewide Monitoring Strategy**

The operating budget provides \$1.5 million (\$500,000 each from the general fund, Water Quality Account, and State Toxics Control Account) to the Interagency Committee for Outdoor Recreation to coordinate natural resources agencies in developing a monitoring strategy that can be used to evaluate the effectiveness of salmon recovery efforts.

#### ➤ **Salmon Science and Monitoring**

The Department of Fish and Wildlife conducts salmon-related inventory, monitoring and basic science research. The operating budget provides \$1.5 million from the general fund for the salmonid stock inventory and smolt production monitoring.

➤ **Enhanced Stream Flow Monitoring**

The operating budget provides \$1.6 million (\$500,000 from the general fund, \$564,000 from the Drought Preparedness Account, and \$549,000 from the Water Quality Account) and 2.0 FTEs for the Department of Ecology to provide equipment and training for local entities to monitor stream flows in additional basins where low stream flows may create critical limitations for trout and salmon.

➤ **Water Rights Data**

The operating budget provides \$847,000 from the Water Quality Account and 2.0 FTEs to the Department of Ecology to begin converting water rights information to a geographic-based system. Initial funding is provided to support analysis and decision-making by Ecology; future funding will enable the public to access the information.

## **Habitat**

### **Agriculture**

➤ **Salmon Recovery Pesticide Strategy**

The operating budget provides \$830,000 from the State Toxics Control Account and 4.5 FTEs for the Department of Agriculture to implement a pesticide monitoring strategy program intended to enable the state, the federal Environmental Protection Agency, and citizens following state law to be exempt from the prohibition on “take” under the Endangered Species Act (ESA).

➤ **Agriculture-Fish-Water Negotiations**

Farmers, environmental groups, and federal and state agencies are negotiating agricultural practices that will protect salmon and their habitat and ensure a viable agricultural industry. The operating budget provides \$500,000 from the Water Quality Account for the Conservation Commission to support the Agriculture, Fish, and Water negotiations and make grants to stakeholders to enable their continued participation in the negotiations.

➤ **Lower Skykomish Habitat Conservation Plan (HCP)**

The operating budget provides \$250,000 from the general fund for the Department of Fish and Wildlife to make a grant to the Lower Skykomish Habitat Conservation Group to develop a salmon habitat conservation plan for the lower Skykomish River. If approved by the federal agencies implementing the ESA, the HCP would be among the first with a focus on agricultural practices.

### **Forestry**

➤ **Forest Practice Regulation and Small Landowner Riparian Easements**

The state Forest Practices Board has revised forest practice rules to protect salmon and water in accordance with Chapter 4, Laws of 1999, 1<sup>st</sup> sp.s., (ESHB 2091 – Forest Practices). The operating budget provides \$13 million (\$2.5 million from the general fund, \$625,000 from the Salmon Recovery Account, \$2.9 million from the Water Quality Account, and \$7 million in federal funds) and 11.1 FTEs to the Department of Natural Resources to implement the Forests and Fish Agreement. The capital budget provides \$2.2 million in state bonds to purchase riparian easements from small timber owners to mitigate the economic impact of the rules.

➤ **Trust Land Road Improvements**

The operating budget provides \$3.8 million in trust management funds and 20.2 FTEs for the Department of Natural Resources to upgrade roads on trust lands to meet the requirements of the Forests and Fish Agreement. Poorly designed or constructed forest roads pose a threat to fish and water resources.

## **Land Use**

### ➤ **Growth Management Updates**

The operating budget provides \$3 million from the general fund to the Department of Community, Trade, and Economic Development to make grants to local government to help pay the costs to update local critical area ordinances.

## **Stormwater**

### ➤ **Sharing Costs to Manage Stormwater**

The operating budget provides \$1 million from the State Toxics Control Account and 1.0 FTE for the Department of Ecology to assist local governments with implementation of the new Environmental Protection Agency Phase II Stormwater requirements.

## **Water Resources**

### ➤ **Water Rights Purchase and Irrigation Efficiencies**

Irrigation activities may pose threats to fish through improper water withdrawals from surface and ground waters and wasting water through poorly functioning irrigation facilities. The capital budget provides the following funding for the Department of Ecology: \$3.4 million from state bonds for water measuring devices and gauges; \$9 million (\$4 million from Referendum 38 bonds and \$5 million from the Water Quality Account) to make grants for water irrigation efficiencies through which conserved water will be placed in the trust water rights program; and \$7 million (\$1 million from state bonds and \$6 million in federal funds) to purchase or lease water rights.

### ➤ **Water Rights Changes**

The operating budget provides \$3 million each from the general fund and the Water Quality Account and 27.0 FTEs to the Department of Ecology to implement Chapter 237, Laws of 2001 (ESHB 1832 – Water Resource Management) and to process applications for changes and transfers of existing water rights.

### ➤ **Drought Response**

In March 2001, the Governor declared a drought emergency. The operating budget provides \$5 million (\$564,000 from the Emergency Water Projects Account and \$4.4 million from the Drought Preparedness Account) and 7.0 FTEs for the Department of Ecology to purchase and lease water in response to low instream flows due to the drought and to expedite processing of water right change and transfer applications.

### ➤ **Instream Flows**

The operating budget provides \$600,000 from the Water Quality Account to the Department of Ecology to set instream flows in basins not subject to planning under the Watershed Planning Act.

## **Fish Passage**

### ➤ **Fish Screen Compliance**

The Department of Fish and Wildlife is provided \$600,000 in the operating budget for cooperative compliance programs for fish passage and \$5 million (\$1.5 million from state bonds and \$3.5 million in federal funds) in the capital budget to install fish screens and fish ways.

## **Harvest**

### ➤ **Salmon License Buy-back**

Continuing the implementation of the U.S.-Canada salmon treaty, the state provides a 25 percent match to federal funds appropriated for commercial salmon fishing license buyback. The operating budget provides \$1.3 million from the general fund to match \$5 million in federal funds.

## **Hatcheries**

### ➤ **Fish and Wildlife Facility Retrofit and Enhancement**

Improperly designed hatcheries, fish blockages, and failing road systems on the Department of Fish and Wildlife lands pose threats to ESA-listed salmon and trout species and may violate water quality standards. The capital budget provides \$5.8 million from various state funds and \$24.3 million in federal funds to the Department to bring its lands and facilities into compliance with the ESA and the Clean Water Act.

### ➤ **Hatchery ESA Strategy**

The operating budget provides \$500,000 from the general fund to the Department of Fish and Wildlife to continue implementation of a hatchery Endangered Species Act Program to evaluate and correct those hatchery programs that may jeopardize recovery of natural salmon stocks.

## **Hydropower**

### ➤ **Hydropower Re-licensing**

The operating budget provides \$389,000 from the general fund and 2.8 FTEs for the Department of Fish and Wildlife to represent the state's fish and wildlife interests in the hydroelectric power project re-licensing process by the Federal Energy Regulatory Commission.

## **CLEANING-UP TOXIC CONTAMINATION**

### ➤ **Clean Sites Initiative**

The operating budget provides \$9.3 million from the State Toxics Control Account for the Department of Ecology to clean up sites contaminated by toxic chemicals that present a serious threat to human health and the environment.

### ➤ **Persistent Bioaccumulative Toxics Strategy**

Persistent, bioaccumulative toxic chemicals (PBTs) have been linked to a wide range of toxic effects in fish, wildlife, and humans. The operating budget provides \$800,000 from the State Toxics Control Account and 2.3 FTEs to the Department of Ecology to conduct baseline monitoring and develop chemical-specific action plans to reduce PBTs in the environment.

### ➤ **Area-Wide Contamination**

The operating budget provides \$1.2 million from the State Toxics Control Account for the Department of Ecology to develop a strategy to address emergent area-wide soil contamination problems including arsenic contamination in Everett and Tacoma and arsenic-contaminated orchards in eastern Washington.

## **OTHER NATURAL RESOURCES CHANGES**

### ➤ **Enhanced Fire Protection**

A century of forest management that emphasized aggressive suppression of all fires has contributed to a pattern of frequent, catastrophic fires. In addition, increasing residential development in rural forested areas increases the frequency of fires in the wild land-urban interface and makes fire suppression more expensive. With an additional \$9.8 million from the general fund and 24 FTEs in the operating budget, the Department of Natural Resources fire protection program will add staff, increase training, and purchase additional equipment.

### ➤ **Trust Land Management Activities**

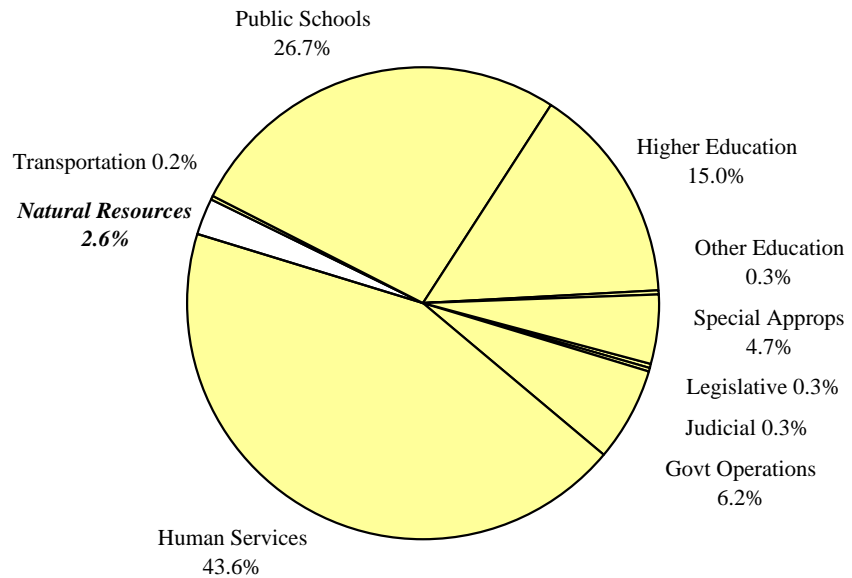
The operating budget provides \$4.2 million from trust management funds and 35.0 FTEs to the Department of Natural Resources to enhance silvicultural activities, improve the product sales system, and add timber sales staff.

- **State Parks Maintenance Backlog**  
The operating budget provides \$4 million from the general fund and 7.5 FTEs to preserve and maintain the state park system, with an emphasis on projects that protect health and safety.
- **State Parks Management and Visitor Safety**  
The operating budget provides \$1.7 million from the general fund and 9.0 FTEs to the State Parks and Recreation Commission to staff recent Park acquisitions and to hire additional rangers to focus on park personnel and visitor safety.
- **Abandoned Orchards**  
The operating budget provides \$450,000 from the State Toxics Control Account and \$450,000 from non-appropriated funds for the Department of Agriculture to reimburse county horticulture pest and disease boards for the costs of addressing problems from abandoned orchards. Failure to control pests in abandoned orchards threatens adjacent operating farms.
- **Agriculture Marketing**  
The operating budget provides \$850,000 from the general fund and 1.5 FTEs to the Department of Agriculture to promote Washington agricultural products, develop a small farm direct marketing program, and to reduce trade barriers. These funds will be matched by industry contributions and federal grants.
- **Public Use and Natural Area Stewardship**  
The operating budget provides \$925,000 from each of the general fund and the Aquatic Lands Enhancement Account to the Department of Natural Resources to maintain recreational access to state trust lands open for public use, maintain natural area preserves and natural resources conservation areas, and, where appropriate, enhance public access to natural areas.
- **Agricultural Fairs and Youth Shows**  
Chapter 16, Laws of 2001, 2<sup>nd</sup> sp.s. (ESSB 5237 – Fair Fund), makes annual transfers of \$2 million from the general fund to the Fair Fund, thereby creating a stable funding source for the more than 70 agricultural fairs and youth shows.
- **Spartina Eradication**  
The operating budget provides \$1.4 million from the Aquatic Lands Enhancement Account for the Department of Agriculture to begin a spartina eradication program in Puget Sound and in Willapa Bay.
- **Preventing Oil Spills**  
The operating budget provides \$1.7 million from the general fund to the Department of Ecology to establish a charter safety tug service that includes the placement of a rescue tug at Neah Bay for at least 200 days during fiscal year 2002. Under the charter safety tug service, the Department authorizes the U.S. Coast Guard to dispatch tug services throughout the state when weather or other conditions increase the risk of an oil spill. The budget also provides \$280,000 from the oil spill prevention account for the Department to study the feasibility of a tracking system using transponders and advanced radar technology and to access vessel incident reporting information from the federal government.

**2001-03 Washington State Operating Budget**  
**Total Budgeted Funds**  
(Dollars in Thousands)

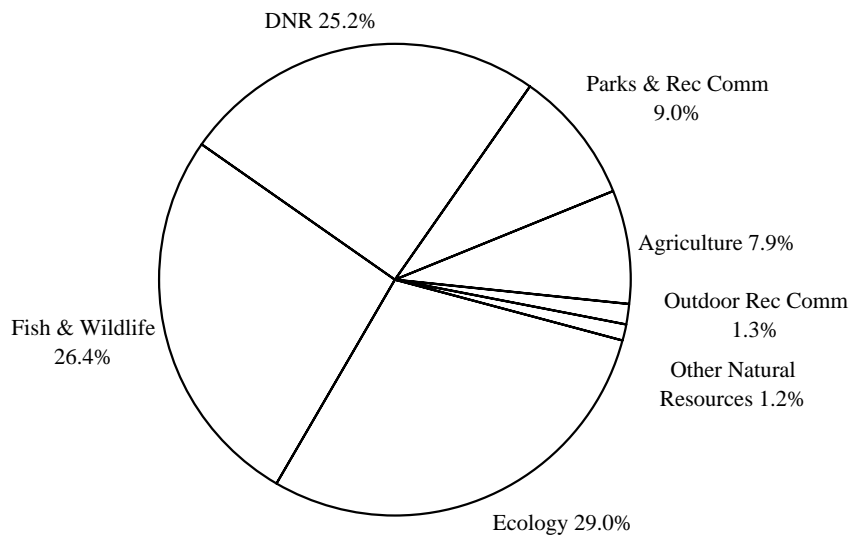
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Legislative	139,285
Judicial	141,697
Governmental Operations	2,707,559
Human Services	18,911,595
<b><i>Natural Resources</i></b>	<b><i>1,123,648</i></b>
Transportation	104,494
Public Schools	11,571,857
Higher Education	6,502,726
Other Education	116,415
Special Appropriations	2,036,571
<b>Statewide Total</b>	<b>43,355,847</b>



**Washington State**

Dept of Ecology	326,336
Dept of Fish & Wildlife	296,637
Dept of Natural Resources	283,216
Parks & Recreation Comm	100,639
Dept of Agriculture	89,062
Outdoor Recreation	14,235
Other Natural Resources	13,523
<b><i>Natural Resources</i></b>	<b><i>1,123,648</i></b>



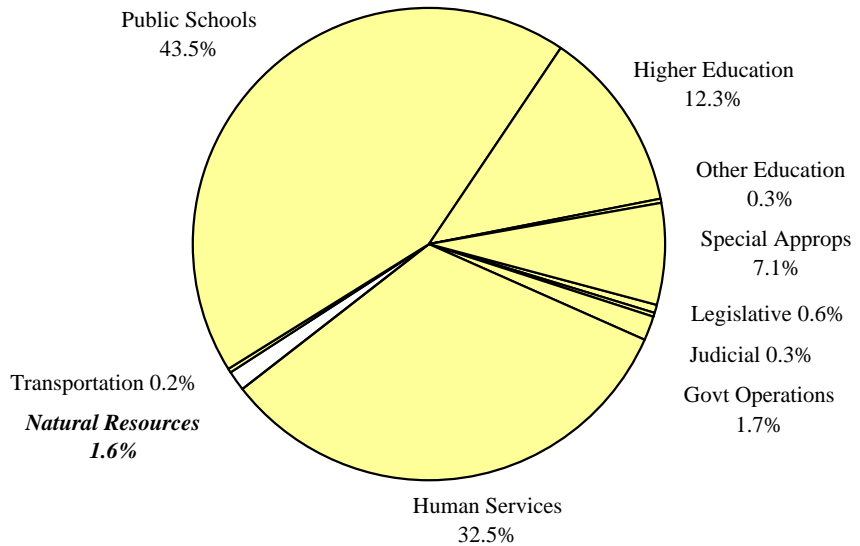
***Natural Resources***



**2001-03 Washington State Operating Budget**  
**General Fund-State**  
(Dollars in Thousands)

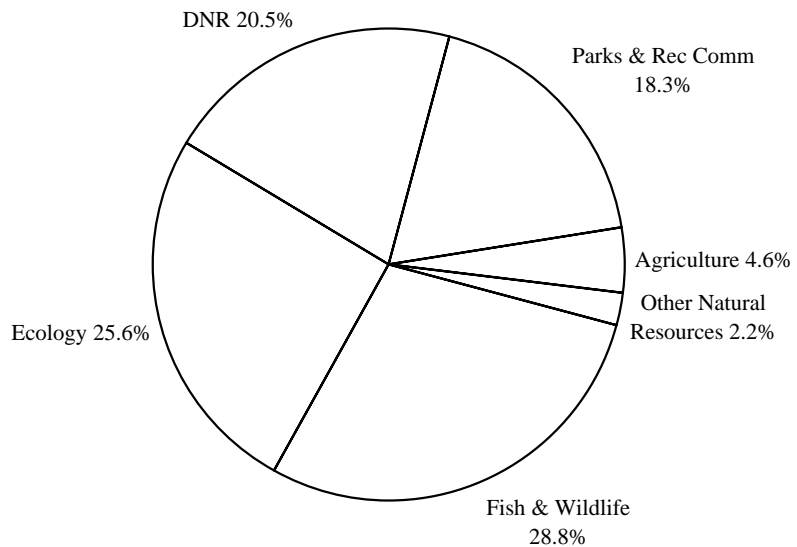
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Legislative	133,124
Judicial	71,679
Governmental Operations	392,304
Human Services	7,415,303
<b><i>Natural Resources</i></b>	<b><i>355,477</i></b>
Transportation	40,722
Public Schools	9,903,086
Higher Education	2,800,460
Other Education	59,988
Special Appropriations	1,611,095
<b>Statewide Total</b>	<b>22,783,238</b>



**Washington State**

Dept of Fish & Wildlife	102,362
Dept of Ecology	91,114
Dept of Natural Resources	72,975
Parks & Recreation Comm	65,164
Dept of Agriculture	16,189
Other Natural Resources	7,673
<b><i>Natural Resources</i></b>	<b><i>355,477</i></b>



***Natural Resources***

## Columbia River Gorge Commission

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>697</b>	<b>657</b>	<b>1,354</b>
<b>2001-03 Maintenance Level</b>	<b>711</b>	<b>672</b>	<b>1,383</b>
<b>Policy Changes</b>			
1. Match Oregon Current Service Level	5	4	9
2. Agency Legal Services	73	73	146
<b>Total 2001-03 Biennium</b>	<b>789</b>	<b>749</b>	<b>1,538</b>
Fiscal Year 2002 Total	398	378	776
Fiscal Year 2003 Total	391	371	762

**Comments:**

1. **Match Oregon Current Service Level** - Funding is provided to match Oregon's proposed level of funding for the Columbia River Gorge Commission. The Columbia River Gorge National Scenic Area Act requires that Oregon and Washington fund the Commission equally. (General Fund-State, General Fund-Local)
2. **Agency Legal Services** - Funding is provided for increased Attorneys General costs for the Columbia River Gorge Commission. (General Fund-State, General Fund-Local)

## Department of Ecology

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>78,687</b>	<b>200,298</b>	<b>278,985</b>
2001 Supplemental *	0	-118	-118
<b>Total 1999-01 Biennium</b>	<b>78,687</b>	<b>200,180</b>	<b>278,867</b>
<b>2001-03 Maintenance Level</b>	<b>86,104</b>	<b>203,893</b>	<b>289,997</b>
<b>Policy Changes</b>			
1. Methamphetamine Lab Cleanup	0	1,939	1,939
2. Inflation Rate Exception	0	128	128
3. Eliminate Air Emission Hot-Lines	-230	0	-230
4. Reduction to Match Revenue	0	-141	-141
5. Preventing Oil Spills	1,700	280	1,980
6. Access Waste Information	0	431	431
7. Eliminate Air Permit Help to Locals	-226	0	-226
8. Network Infrastructure	0	323	323
9. Bioaccumulative Toxics Strategy	0	800	800
10. Assess Hazardous Waste Liability	0	500	500
11. Area-Wide Contamination	0	1,200	1,200
12. Reduce Toxics Studies	-148	0	-148
13. Consolidating Lab Accreditation	202	0	202
14. The Clean Sites Initiative	0	9,365	9,365
15. Aquatic Weeds Grants	0	450	450
16. Waste Reduction Efforts	0	200	200
17. Reduce Lab Accreditation Activities	-54	0	-54
18. Water Law Compliance	1,148	0	1,148
19. Reducing Hazardous Waste Generation	0	200	200
20. Superfund Cleanup Match	0	2,000	2,000
21. Pine Hollow EIS	0	325	325
22. General Inflation	-1,450	-1,347	-2,797
23. Enhanced Stream Flow Monitoring	500	1,113	1,613
24. Sharing Costs to Manage Stormwater	0	1,000	1,000
25. Reforming Water Law	250	0	250
26. Water Right Change Decisions	3,000	3,000	6,000
27. Drought Response	0	5,000	5,000
28. Water Rights Data	0	847	847
29. Salmon Recovery Account Adjustment	0	-1,148	-1,148
30. Instream Flows	0	600	600
31. Environmental Excellence Program	0	484	484
32. Support Local Watershed Planning	0	3,114	3,114
33. Water Resources Attorney Support	318	0	318
34. Nuclear Waste Attorney Support	0	382	382
35. Support Watershed Cooperatives	0	200	200
36. Latah Creek Flood Control	0	84	84
<b>Total 2001-03 Biennium</b>	<b>91,114</b>	<b>235,222</b>	<b>326,336</b>
Fiscal Year 2002 Total	46,633	117,977	164,610
Fiscal Year 2003 Total	44,481	117,245	161,726

### Comments:

1. **Methamphetamine Lab Cleanup** - Funding is provided for six additional staff in FY 2002 and ten staff in FY 2003 to address methamphetamine lab cleanups. (Public Safety Education Account, State Toxics Control Account)
2. **Inflation Rate Exception** - Funding is provided for increased costs for janitorial, landscaping, and security contracts for agency facilities to maintain current levels of service. (State Toxics Control Account, various other funds)
3. **Eliminate Air Emission Hot-Lines** - Funding is reduced for the statewide Vehicle Emission Check Information Line. The information line will be replaced with local toll-free information lines operated out of regional offices.
4. **Reduction to Match Revenue** - Appropriation authority is reduced for the Air Operating Permit Account to a level that can be supported by estimated revenue for the 2001-03 biennium. This account funds the permitting and oversight

## Department of Ecology

of air emissions within the state. (Air Operating Permit Account)

5. **Preventing Oil Spills** - Funding is provided for the Department to establish charter safety tug services, a feasibility study for a tracking system using transponders and advanced radar technologies, and updating the Marine Information System. (Oil Spill Prevention Account)
6. **Access Waste Information** - Funding is provided for Internet technology and support to enhance public access to environmental data via the Internet. Additional solid and hazardous waste related information will be placed on the Internet and reporting and mapping options will be developed, including the delivery of information on a geographic basis. (State Toxics Control Account)
7. **Eliminate Air Permit Help to Locals** - Funding is eliminated for pre-application permit assistance to other state and local air permitting agencies. Air Quality Program staff will continue to provide assistance in situations where the Department of Ecology (DOE) has direct permitting responsibility.
8. **Network Infrastructure** - Funding is provided to increase agency-wide telecommunication line capacity and to upgrade the northwest regional office computer system cabling to allow for more efficient communication. (State Toxics Control Account, various other funds)
9. **Bioaccumulative Toxics Strategy** - Funding is provided to implement a strategy to eliminate releases and reduce the existence of persistent, bioaccumulative toxic chemicals (PBTs). Baseline monitoring will be conducted and chemical specific action plans will be developed to reduce PBTs in the environment. One time funding of \$54,000 is included for the Department of Health (DOH) for their participation in developing this strategy. (State Toxics Control Account)
10. **Assess Hazardous Waste Liability** - One-time funding is provided to assess the limits of current statutes and regulations governing hazardous waste facilities, including financial assurances to ensure that bankruptcy or other unexpected site closures do not leave an unmet cleanup liability. (State Toxics Control Account)
11. **Area-Wide Contamination** - One-time funding is provided to develop a strategy to address emergent area-wide soil contamination problems arising from arsenic and other toxic chemicals. The strategy will include a public involvement process, an assessment of the geographical locations of contamination and hot spots, and initiation of pilot clean-up projects. (State Toxics Control Account)
12. **Reduce Toxics Studies** - Funding is reduced for toxic chemical studies currently conducted to assist in addressing contamination problems, identifying regulatory strategies, and developing water cleanup plans. The number of toxics studies completed by the Department of Ecology is reduced from 20 to 17 per year.
13. **Consolidating Lab Accreditation** - DOE, in cooperation with DOH and client laboratories, has determined the DOH Drinking Water Laboratory Certification program should be combined with the DOE Environmental Laboratory Accreditation Program. This will provide a one-stop validation agency for client labs and will reduce costs as a result of more efficient operations. Increased costs to DOE will be offset by corresponding reductions in the DOH budget.
14. **The Clean Sites Initiative** - One-time funding is provided to clean up sites contaminated by toxic chemicals that present a serious threat to human health and the environment. Any funds recovered from parties responsible for contamination will be reimbursed into the State Toxics Control Account. (State Toxics Control Account)
15. **Aquatic Weeds Grants** - Funding is provided to support previous grant awards and to maximize the amount of new grants that can be awarded to local governments in the 2001-03 biennium. (Freshwater Aquatic Weeds Account)
16. **Waste Reduction Efforts** - One-time funding is provided for an assessment of the current toxic pollution prevention and dangerous waste programs. DOE will work with stakeholder focus groups to evaluate the performance of existing programs and assess waste generating activities to identify improvements in waste reduction. (State Toxics Control Account)
17. **Reduce Lab Accreditation Activities** - Funding is reduced for DOE's Environmental Assessment Program, reducing the number of audits conducted for accredited laboratories.
18. **Water Law Compliance** - Ongoing funding is provided for water law compliance, originally funded in the 1999-01 biennium from the Salmon Recovery Account. Funding supports technical assistance and enforcement efforts for water quantity and non-point water quality.
19. **Reducing Hazardous Waste Generation** - One-time funding is provided for additional hazardous waste management technical assistance and pollution prevention activities including assisting 60 businesses in developing pollution prevention plans, implementing pollution prevention measures, and integrating best management practices into business operations. (Hazardous Waste Assistance Account)
20. **Superfund Cleanup Match** - One-time funding is provided for the state match for federal Superfund cleanup costs. The federal Superfund law requires states to pay 10 percent of all remedial action costs and all operation and maintenance costs at federally funded cleanup sites. (State Toxics Control Account)

## Department of Ecology

21. **Pine Hollow EIS** - Funding is provided to complete the Pine Hollow Environmental Impact Statement initiated in the 1999-01 biennium. (State Drought Preparedness Account)
  22. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, various other funds)
  23. **Enhanced Stream Flow Monitoring** - Funding is provided for enhanced stream flow gauging and monitoring in five critical basins. Of this amount, \$500,000 is provided for local governments to hire stream gauging staff, \$700,000 to purchase the equipment, and \$400,000 in technical assistance to develop gauging plans, install and maintain gauges, and provide data management services including real-time data transmission, and web-based data access. (Drought Preparedness Account, Water Quality Account)
  24. **Sharing Costs to Manage Stormwater** - Funding is provided for the Department to update stormwater manuals, write new stormwater permits, and provide technical assistance to local governments to implement new stormwater requirements under the Environmental Protection Agency Phase II Stormwater requirements. (State Toxics Control Account)
  25. **Reforming Water Law** - Funding is provided for FY 2002 to continue the strategy to update water law.
  26. **Water Right Change Decisions** - Funding is provided to implement Chapter 237, Laws of 2001 (ESHB 1832 - Water Resources Management), and process applications for changes or transfers of existing water rights. (Water Quality Account)
  27. **Drought Response** - Funding is provided to purchase or lease water in response to low stream flows due to the drought. Of the total amount of funding, \$564,000 is provided for staff to implement a drought response strategy and operate a drought emergency center. Staff will process drought related water rights changes in 15 days. (State Drought Preparedness Account, Emergency Water Reserve Account State)
  28. **Water Rights Data** - Funding is provided to replace the water rights information system with a system designed to provide geographic information used by watershed planning groups, county conservancy boards, cities, state agencies, businesses, individuals, and Ecology staff. The new system will be accessible within Ecology by the end of the 2001-03 biennium and will provide the basis for accessing information via the Internet, which is dependent on future funding. (Water Quality Account)
  29. **Salmon Recovery Account Adjustment** - Funding is removed for activities supported by the Salmon Recovery Account funded in the 1999-01 biennium from one-time revenue sources. (Salmon Recovery Account)
  30. **Instream Flows** - Funding is provided for the Department to set instream flows in six critical basins currently not planning under the Watershed Planning Act. (Water Quality Account)
  31. **Environmental Excellence Program** - Funding is provided for the Department to implement projects with sponsors participating in the Environmental Excellence Program. (Environmental Excellence Account)
  32. **Support Local Watershed Planning** - Funding is provided to implement Chapter 237, Laws of 2001 (ESHB 1832 - Water Resources Management). Of the total funding, \$2.1 million is provided for grants for targeted watershed assessments to provide information to local planning units. In addition, funding is provided to develop a State Environmental Policy Act template to streamline environmental review and plan implementation. The departments of Ecology and Fish and Wildlife will also provide technical assistance in hydrogeology, fish biology, streamflows, and water rights. Finally, a panel will be created to develop long-term options to fund watershed plan implementation. (Water Quality Account)
  33. **Water Resources Attorney Support** - Funding is provided for additional support from the Attorney General's office associated with water resources litigation.
  34. **Nuclear Waste Attorney Support** - Funding is provided for additional attorney support to enforce the Hanford Tri-Party Agreement among the state, the Environmental Protection Agency, and the U.S. Department of Energy. (State Toxics Control Account)
  35. **Support Watershed Cooperatives** - Funding is provided for a statewide coordinator position for cooperative watershed groups not planning under Chapter 90.82 RCW. (Water Quality Account)
  36. **Latah Creek Flood Control** - Funding is provided for the Latah Creek feeder bank stabilization project. (Flood Control Assistance Account)
- \* Please see the 2001 Supplemental Operating Budget Section for additional information.
- Governor's Vetoes:**
- The Governor vetoed the following sections of Chapter 7, Laws of 2001, 2nd sp.s., Partial Veto (ESSB 6153): Section 302(15) which provided funding for a conservation district to remove culverts from Rocky Ford Creek; Section 302(16) which provided funding to the State Conservation

## Department of Ecology

Commission for the Washington Watershed, Science, and Technology Program; and Section 302(17) which provided funding for a conservation district to conduct a pilot project to evaluate water quality programs.

## State Parks and Recreation Commission

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>55,749</b>	<b>33,611</b>	<b>89,360</b>
2001 Supplemental *	32	108	140
<b>Total 1999-01 Biennium</b>	<b>55,781</b>	<b>33,719</b>	<b>89,500</b>
<b>2001-03 Maintenance Level</b>	<b>59,720</b>	<b>33,508</b>	<b>93,228</b>
<b>Policy Changes</b>			
1. General Inflation	-273	-175	-448
2. Maintenance Backlog	4,000	0	4,000
3. Lewis and Clark Interpretive Center	325	0	325
4. Parks Management	700	0	700
5. Ranger & Visitor Safety	1,000	0	1,000
6. Forest Road Inventory	200	0	200
7. Internet Materials and Permits	0	166	166
8. Native American Artifacts	100	0	100
9. Silver Lake Visitor Center	0	432	432
10. Winter Recreation - Snowmobile	0	1,000	1,000
11. Water Trails Enhancements	0	10	10
12. Boating Safety & Education	0	534	534
13. Cama Beach Operating Reduction	-440	0	-440
14. Assistance/Planning Reductions	-168	0	-168
<b>Total 2001-03 Biennium</b>	<b>65,164</b>	<b>35,475</b>	<b>100,639</b>
Fiscal Year 2002 Total	32,298	16,993	49,291
Fiscal Year 2003 Total	32,866	18,482	51,348

### Comments:

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, various other funds)
2. **Maintenance Backlog** - Funding is provided to preserve and maintain the state park system. The State Parks and Recreation Commission shall prioritize projects to address critical maintenance projects that protect public health and safety.
3. **Lewis and Clark Interpretive Center** - Funding is provided to staff the Lewis and Clark Interpretive Center at Fort Canby in anticipation of the bicentennial celebration of the Lewis and Clark expedition.
4. **Parks Management** - Funding is provided for parks management activities including protection of resource damage, an interpretive assistant, additional weed control, operation of the sewage treatment plant at Seaquest State Park, and operation of the Hyak Lodge Environmental Learning Center.
5. **Ranger & Visitor Safety** - Funding is provided for additional rangers to reduce single-ranger patrols and for response agreements with local law enforcement and emergency 911 dispatch centers.
6. **Forest Road Inventory** - Funding is provided to evaluate, survey, and map all forest roads on state parks lands to determine future actions needed to protect salmon and water quality.
7. **Internet Materials and Permits** - Funding is provided to develop a system to make permits and other materials available to citizens over the Internet. (Parks Renewal and Stewardship Account, Winter Recreation Program Account, Snowmobile Account)
8. **Native American Artifacts** - Pursuant to federal law, the State Parks and Recreation Commission began work to inventory and catalogue its collection of Native American artifacts and human remains in the 1999-01 biennium. Additional funding is provided to conduct consultations with Native American tribal representatives and to construct appropriate storage for artifacts and remains.
9. **Silver Lake Visitor Center** - Funding is provided for staffing and operation of the Mt. St. Helens Visitor Center at Silver Lake. (Parks Renewal and Stewardship Account)
10. **Winter Recreation - Snowmobile** - Funding is provided to open new snow parks, increase the parking lot size of snow parks, increase grooming of trails, and fund additional parking lot snow removal. Funds for services are derived from snowmobile registrations and a portion of the gasoline tax. (Snowmobile Account-State)

## State Parks and Recreation Commission

11. **Water Trails Enhancements** - Funding is provided for improvements for facilities maintained by the Water Trails program. (Water Trails Program Account-State)
12. **Boating Safety & Education** - Additional federal funding is provided for law enforcement training and equipment and to increase the frequency of boater education messages. (General Fund-Federal)
13. **Cama Beach Operating Reduction** - Funding is reduced for implementation of historic building maintenance and park management services at the new Cama Beach State Park. The park is expected to open in September 2002. Four staff positions will not be hired until the 2003-05 biennium.
14. **Assistance/Planning Reductions** - Funding is eliminated for a position coordinating requests to use state parks facilities by special recreation groups and a part-time position for park construction and planning.

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the State Parks and Recreation Commission's budget is shown in the Transportation Budget Section of this document.

\* Please see the 2001 Supplemental Operating Budget Section for additional information.



## Interagency Committee for Outdoor Recreation

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>275</b>	<b>6,351</b>	<b>6,626</b>
<b>2001-03 Maintenance Level</b>	<b>291</b>	<b>3,262</b>	<b>3,553</b>
<b>Policy Changes</b>			
1. General Inflation	-3	-12	-15
2. Programmatic Adjustments	0	-6	-6
3. Outdoor Recreation Resource Plan	0	445	445
4. Maury Is. Conservation Initiative	0	200	200
5. Statewide Monitoring Strategy	500	1,000	1,500
6. Salmon Technical Panel	0	200	200
7. Forests and Fish Agreement Rules	0	8,000	8,000
8. SRFB Administration	0	358	358
<b>Total 2001-03 Biennium</b>	<b>788</b>	<b>13,447</b>	<b>14,235</b>
Fiscal Year 2002 Total	393	6,737	7,130
Fiscal Year 2003 Total	395	6,710	7,105

### Comments:

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, various other funds)
2. **Programmatic Adjustments** - Funding is reduced for operating expenses for the Firearms Range Account and Nonhighway and Off-Road Vehicle Activities Program Account. This reduction aligns available revenue and operating expenses with the statutory requirements for these two accounts. (Firearms Range Account-State, Nonhighway and Off-Road Vehicle Activities Program Account-State)
3. **Outdoor Recreation Resource Plan** - One-time funds are provided to update the Statewide Comprehensive Outdoor Recreation Plan and to meet federal requirements. The current statewide plan expires December 2001 and the Interagency Committee for Outdoor Recreation (IAC) is required develop a statewide strategic plan for the acquisition, renovation, and development of recreational resources and the conservation of open space. (Recreation Resources Account-State, Recreation Resources Account-Federal)
4. **Maury Is. Conservation Initiative** - Funding is provided for the IAC to make a grant to the Cascade Land Conservancy (CLC) to develop and implement a conservation initiative for Maury Island. The CLC will provide appraisal services, develop a financial plan for public/private land acquisition, and conduct negotiations among purchasers and willing sellers. (Aquatic Lands Enhancement Account)
5. **Statewide Monitoring Strategy** - Funding is provided to implement Chapter 298, Laws of 2001 (SSB 5637 - Watershed Health and Monitoring). The IAC and the Salmon Recovery Funding Board will lead other state agencies in developing a statewide approach to salmon recovery adaptive management and monitoring. A coordinated and comprehensive statewide adaptive management and monitoring strategy is needed to meet the needs of the Statewide Strategy to Recover Salmon. (General Fund-State, Water Quality Account, State Toxics Control Account)
6. **Salmon Technical Panel** - Funding is provided for the Salmon Recovery Funding Board salmon technical panel to assist lead entities with project identification, evaluation, and prioritization. (Water Quality Account-State)
7. **Forests and Fish Agreement Rules** - Funding is provided for the Salmon Recovery Funding Board to pass through to the Department of Natural Resources and the Department of Fish and Wildlife to implement the Forests and Fish Agreement. Specific work will include completion of databases for streams and lakes, wetlands and forest roads, a new forest practices application system, and adaptive management activities. (General Fund-Federal)
8. **SRFB Administration** - Funding is provided for administrative support for the Salmon Recovery Funding Board (SRFB). (General Fund-Federal)

**Environmental Hearings Office**

(Dollars in Thousands)

	<b>GF-S</b>	<b>Other</b>	<b>Total</b>
<b>1999-01 Expenditure Authority</b>	<b>1,612</b>	<b>0</b>	<b>1,612</b>
<b>2001-03 Maintenance Level</b>	<b>1,703</b>	<b>0</b>	<b>1,703</b>
<b>Policy Changes</b>			
1. General Inflation	-10	0	-10
<b>Total 2001-03 Biennium</b>	<b>1,693</b>	<b>0</b>	<b>1,693</b>
Fiscal Year 2002 Total	846	0	846
Fiscal Year 2003 Total	847	0	847

**Comments:**

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

## State Conservation Commission

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>5,264</b>	<b>4,062</b>	<b>9,326</b>
<b>2001-03 Maintenance Level</b>	<b>4,301</b>	<b>3,893</b>	<b>8,194</b>
<b>Policy Changes</b>			
1. Conservation District Manual	20	9	29
2. Statewide Habitat Limiting Factors	0	1,601	1,601
3. Administrative Manager	82	76	158
4. Engineering Grants	0	900	900
5. Audit Costs	0	128	128
6. Salmon Recovery Account Adjustment	0	-3,368	-3,368
7. AFW Negotiations	0	500	500
<b>Total 2001-03 Biennium</b>	<b>4,403</b>	<b>3,739</b>	<b>8,142</b>
Fiscal Year 2002 Total	2,207	1,995	4,202
Fiscal Year 2003 Total	2,196	1,744	3,940

### Comments:

1. **Conservation District Manual** - One-time funding is provided to update the Conservation District Procedure Manual. The manual is used by conservation districts and contains at least 20 sections that will be revised based on changes in policies and regulations, changes in state or federal law, and changes in the structure of agencies and organizations. (General Fund-State, Water Quality Account-State)
2. **Statewide Habitat Limiting Factors** - Funding is provided to continue identifying limiting factors for salmon and trout. (Water Quality Account)
3. **Administrative Manager** - Funding is provided for an administrative position for the Commission to prepare and manage its operating and capital budgets and provide financial planning assistance to its grants program. (General Fund-State, Water Quality Account-State)
4. **Engineering Grants** - Funding is provided for conservation district grants to hire engineers to design salmon recovery and other projects that benefit salmon. (Water Quality Account)
5. **Audit Costs** - Funding for audits of conservation districts is moved from the capital budget to the operating budget. (Water Quality Account-State)
6. **Salmon Recovery Account Adjustment** - Funding is removed for activities supported by the Salmon Recovery Account funded in the 1999-01 biennium from one-time revenue sources. (Salmon Recovery Account)
7. **AFW Negotiations** - Funding is provided to support the Agriculture, Fish, and Water (AFW) negotiations and provide grants to various stakeholder groups to participate in the negotiations. (Water Quality Account)

## Department of Fish and Wildlife

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>87,183</b>	<b>188,809</b>	<b>275,992</b>
2001 Supplemental *	645	26,165	26,810
<b>Total 1999-01 Biennium</b>	<b>87,828</b>	<b>214,974</b>	<b>302,802</b>
<b>2001-03 Maintenance Level</b>	<b>94,602</b>	<b>187,801</b>	<b>282,403</b>
<b>Policy Changes</b>			
1. General Inflation	-764	-1,319	-2,083
2. Wildlife Conservation and Education	0	1,000	1,000
3. Salmonid Stock Inventory	400	0	400
4. Smolt Production Monitoring	1,100	0	1,100
5. Implement Forests & Fish Agreement	776	0	776
6. Forest Roads Management Plan	265	0	265
7. Hydropower Relicensing	389	0	389
8. Lead Entity Core Operations	3,250	0	3,250
9. Local Technical Assistance	1,200	0	1,200
10. Hatchery ESA Strategy	500	0	500
11. Pacific Salmon Treaty State Match	1,300	5,000	6,300
12. Hatchery Operations	0	7,050	7,050
13. Non-Game Wildlife Program	0	360	360
14. Recreational Site Enhancements	0	124	124
15. Salmon Recovery Account Adjustment	0	-7,219	-7,219
16. Fish Screen Compliance	600	0	600
17. Regional Salmon Recovery Planning	0	1,000	1,000
18. Federal Funding Adjustment	0	-2,050	-2,050
19. Information Systems Strategic Plan	0	851	851
20. Geographic Information System	0	373	373
21. Wildlife Area Operations	0	48	48
22. Recover Endangered Wildlife Species	0	204	204
23. Problem Bear and Cougar Management	0	250	250
24. Vehicle and Vessel Replacement	0	125	125
25. Resident and Marine Fish Management	450	450	900
26. Youth Sport Fishing Program	0	156	156
27. Enhance Web-Based Communication	0	75	75
28. Point-of-Sale Data Analysis	0	80	80
29. Core Salmon Recovery Activities	1,000	150	1,150
30. Fence Maintenance	0	206	206
31. Puget Sound Crab Pot Tags	0	160	160
32. Attorney Support for ESA Compliance	88	59	147
33. Oyster Reserve Lands	-60	135	75
34. WildWatchCam	0	25	25
35. Lake Management District Assessment	15	0	15
36. Lower Skykomish HCP	250	0	250
37. Samish Hatchery Restoration	636	0	636
38. Business Services Reduction	-1,114	0	-1,114
39. Technical Assistance Reductions	-568	0	-568
40. Fish, Hatchery and Land Stewardship	-1,318	0	-1,318
41. Program Services Reductions	-635	0	-635
42. Programmatic Adjustments	0	-819	-819
<b>Total 2001-03 Biennium</b>	<b>102,362</b>	<b>194,275</b>	<b>296,637</b>
Fiscal Year 2002 Total	51,600	95,043	146,643
Fiscal Year 2003 Total	50,762	99,232	149,994

### Comments:

- General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, various other funds)
- Wildlife Conservation and Education** - Funding is provided to enhance wildlife conservation and education programs. The types of work to be undertaken include species inventorying, priority habitat and species mapping,

## Department of Fish and Wildlife

- expansion of watchable wildlife programs, and public education. (General Fund-Federal)
3. **Salmonid Stock Inventory** - Funding is provided to continue the Salmonid Stock Inventory to identify and monitor the status of Washington's salmonid fish stocks.
  4. **Smolt Production Monitoring** - Ongoing funding is provided to conduct smolt monitoring to continue assessing the productivity of juvenile salmonids as a measure of the health of stream systems and to measure the success of salmon recovery efforts.
  5. **Implement Forests & Fish Agreement** - Ongoing funding is provided for five biologists to continue statewide coordination and implementation of the forests and fish rules; integration of portions of the Hydraulic Code into the forest practices rules to provide permit streamlining; and sharing the responsibility of developing and implementing the required Forests and Fish Agreement monitoring and adaptive management program.
  6. **Forest Roads Management Plan** - Funding is provided for a statewide road plan and a Geographic Information Systems database for forest roads on departmental lands. The Department of Fish and Wildlife has over 725 miles of forest roads on state wildlife areas. Under the Forests and Fish Agreement, a road management plan must be completed within five years for all timberlands to address issues such as fish passage, sedimentation, and erosion.
  7. **Hydropower Relicensing** - Funding is provided for staff to represent the state's fish and wildlife interests in the hydroelectric project relicensing process by the Federal Energy Regulatory Commission.
  8. **Lead Entity Core Operations** - Funding is provided for grants to local lead entities. The groups solicit habitat improvement and restoration projects, develop habitat project lists, and recommend development and maintenance of habitat work schedules. The Department will continue to provide basic grants to the estimated 26 lead entities that will operate in the 2001-03 biennium.
  9. **Local Technical Assistance** - Ongoing funding is provided for the Department of Fish and Wildlife's Watershed Steward Team to provide technical assistance for engineering and design, and fish and habitat science to project sponsors, lead entities, landowners, local governments, regional fisheries enhancement groups, and others involved in local salmon recovery projects.
  10. **Hatchery ESA Strategy** - Funding is provided to continue implementation of a hatchery Endangered Species Act (ESA) program.
  11. **Pacific Salmon Treaty State Match** - Funding is provided to match federal funds to implement license buyback provisions of the United States - Canada salmon treaty. (General Fund-State, General Fund-Federal)
  12. **Hatchery Operations** - Funding is provided to support hatchery operations at facilities supported by agreements with public utility districts. (General Fund-Private/Local)
  13. **Non-Game Wildlife Program** - Funding is provided for administrative costs of the non-game wildlife program at the Department. Revenues from personalized license plate sales will be used to support both program and administrative costs of the non-game program. (Wildlife Fund-State)
  14. **Recreational Site Enhancements** - Funding is provided to improve sanitation and maintenance of public recreation access sites statewide. (Wildlife Fund-State)
  15. **Salmon Recovery Account Adjustment** - Funding is removed for activities supported by the Salmon Recovery Account funded in the 1999-01 biennium from one-time revenue sources. (Salmon Recovery Account)
  16. **Fish Screen Compliance** - Funding is provided to implement four cooperative fish screen compliance programs, two in Western Washington and two in Eastern Washington. The cooperative compliance program will conduct fish screen, fish way, and fish passage barrier assessments and correction plans for landowners seeking cooperative compliance agreements with the Department.
  17. **Regional Salmon Recovery Planning** - Funding is provided for grants to lead entities or watershed planning units that agree to coordinate the development of comprehensive local and regional salmon recovery plans. Annual grants may be up to \$125,000. (Water Quality Account-State)
  18. **Federal Funding Adjustment** - Federal funding is decreased due to declining federal funding from Dingell-Johnson funds.
  19. **Information Systems Strategic Plan** - Funding is provided to continue implementation of the Information Systems Strategic plan including a personal computer leasing program, migration to Microsoft Office suite software, modernizing agency file server and network infrastructure, and standardizing data administration. The general fund portion of this project may seek one-time funding from the combined technology pool appropriated separately. (Wildlife Account-State)
  20. **Geographic Information System** - Funding is provided for updating the Department's Geographic Information System (GIS) data to more current software. The Department must ensure that the new data management system is consistent with other state natural resource systems and develop protocols for sharing data. The general fund portion of this project may seek one-time funding from the combined technology pool appropriated separately. (Wildlife Account-State)
  21. **Wildlife Area Operations** - Funding is provided for operating impacts associated with habitat acquisitions

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authorized by the Legislature during the 1999-01 biennium. (Wildlife Account-State)

22. **Recover Endangered Wildlife Species** - Funding is provided for scientific review, collection, and analysis of data to determine the status of wildlife species for wildlife and game species management. The Department will complete additional research, develop recovery plans, and initiate recovery actions for endangered and threatened wildlife species, including western pond turtles, pygmy rabbits, caribou, and Columbia white-tailed deer. (Wildlife Account-State)
23. **Problem Bear and Cougar Management** - Funding is provided for a biologist and veterinarian services to address problem bear and cougar management. (Wildlife Account-State)
24. **Vehicle and Vessel Replacement** - Funding is provided for the Department to replace vehicles and vessels that have exceeded replacement schedule requirements. (Wildlife Account-State)
25. **Resident and Marine Fish Management** - Funding is provided to offset a decrease in federal funding for many core marine and resident fish management and stock assessment activities. The state general fund will be used to support fish management activities including biological sampling, fishery monitoring, and stock status. (General Fund-State, Wildlife Account-State)
26. **Youth Sport Fishing Program** - Funding is provided for a youth fishing coordinator to develop partnerships with local communities, and to identify, develop, fund, and promote youth fishing events and opportunities. Event coordination and promotion services will be contracted to a private consultant. (Wildlife Account-State)
27. **Enhance Web-Based Communication** - Funding is provided for a contract to enhance web-based communication to improve internal services and productivity by increasing access to recreational opportunity information, regulatory changes, scientific data, document libraries, and technical assistance for agency employees. The general fund portion of this project may seek one-time funding from the combined technology pool appropriated separately. (Wildlife Account-State)
28. **Point-of-Sale Data Analysis** - Funding is provided for a private contractor to develop reports from data gathered using the new automated point-of-sale system. These reports will provide information to manage recreational opportunities and license sale revenues. (Wildlife Account-State)
29. **Core Salmon Recovery Activities** - Funding is provided to replace decreases in federal funding levels for core salmonid recovery activities including monitoring and biological sampling, smolt trapping, and fishery planning. (General Fund-State, Wildlife Account-State)
30. **Fence Maintenance** - Funding for fence maintenance operations is transferred from the capital budget to the operating budget. (Wildlife Account-State)
31. **Puget Sound Crab Pot Tags** - Funding is provided to implement Chapter 234, Laws of 2001 (SSB 6110 - Puget Sound Crab Pot Buoy). The Department shall purchase buoy tags to ensure that coastal crab pot limits are followed. (Puget Sound Crab Pot Buoy Tag Account-Non-Appropriated)
32. **Attorney Support for ESA Compliance** - Funding is provided for increased legal assistance from the Attorney General's Office for compliance with the requirements of the Endangered Species Act. (General Fund-State, Wildlife Fund-State)
33. **Oyster Reserve Lands** - Funding is provided to implement Chapter 273, Laws of 2001 (E2SHB 1658 - State Oyster Reserve Lands). The Oyster Reserve Land Account will fund the Department's management of the oyster reserve lands in Puget Sound and Willapa Bay and the shellfish-on-site sewage grant program administered by the Puget Sound Action Team. (General Fund-State, Oyster Reserve Land Account-State)
34. **WildWatchCam** - Funding is provided for the WildWatchCam program to provide Internet transmission of live views of wildlife in their habitats, including seals, bats, and bald eagles. (Wildlife Account-State)
35. **Lake Management District Assessment** - Funding is provided for increased assessments of Department-managed property within lake management districts.
36. **Lower Skykomish HCP** - Funding is provided for the Department's participation in the planning, scientific assessment, and development of a salmon habitat conservation plan (HCP) as proposed by the Lower Skykomish River Habitat Conservation Group.
37. **Samish Hatchery Restoration** - Funding is provided for operation of the Samish hatchery facility.
38. **Business Services Reduction** - Funding is reduced within the business services program by eliminating 6.4 staff positions from the Licenses and Financial Services Divisions, Director's Office, and Public Affairs Office. Additional savings will result from the elimination of Automated Financial Reporting System reports through the implementation of an automated license system and a reduction to the goods, services, and travel budget of the Fish and Wildlife Commission. A contract with the United States Department of Agriculture-Wildlife Services that provides assistance to landowners in alleviating livestock, crop, and property damage from wildlife disturbances will also be reduced. The elimination of the Poaching Hotline contract with the Washington State Patrol (WSP) will save money and improve service levels by routing all calls directly to the enforcement program during regular business

## Department of Fish and Wildlife

hours. WSP will continue to handle poaching complaints after hours.

\* Please see the 2001 Supplemental Operating Budget Section for additional information.

39. **Technical Assistance Reductions** - Funding is reduced for the Wetlands Technical Assistance program reducing participation in the Corps of Engineers Nationwide Permit Program, the Corps of Engineers Regional Permit Program, and the State Mitigation Banking Rule Technical Committee. One-half of a staff position from the Priority Habitats and Species and Growth Management Act programs will be eliminated resulting in fewer and more limited review of land use decisions affecting fish and wildlife resources in Benton, Kittitas, Franklin, and Yakima counties. One and one-half staff positions providing technical assistance to the Department of Ecology and the Environmental Protection Agency for Superfund and Toxic Control Act site cleanup will be eliminated. One-half of a staff position providing technical assistance to the rural landowner program will be eliminated resulting in delays for rural landowners to obtain assistance in converting marginal farmland to more productive recreational and wildlife habitat.
40. **Fish, Hatchery and Land Stewardship** - Funding is reduced due to the elimination of salmon production at the Fox Island Net Pens and reductions at the Wallace River Hatchery. Funding is also reduced for the operation of the Samish hatchery, but funding is restored in a separate item. Administrative support is also reduced for hatchery programs. A reduction to the Lake Washington sockeye salmon fishery monitoring and research program will eliminate diet and abundance estimates used for preseason run predictions. A reduction in oyster reserve management funding will result in less oyster seed being available for private shellfish growers. Lake management use of rotenone will be reduced 52 percent resulting in three fewer lakes in Eastern Washington being managed for high quality trout. The Washington Conservation Corps will reduce two full-time crews to two half-time crews, reducing stewardship and maintenance activities at statewide wildlife areas and public recreational access sites.
41. **Program Services Reductions** - Retirement vacancies expected at the beginning of the 2001-03 biennium will remain unfilled resulting in reductions to non-field enforcement program positions. Additional savings for the enforcement program will result in reducing equipment and goods and services. Two administrative positions will be eliminated from the fish program, resulting in reduced secretarial, customer service, visitor service, and employee support to each program.
42. **Programmatic Adjustments** - Funding is reduced to adjust appropriation authority with estimated revenues. (Recreational Fisheries Enhancement Account-State, Eastern Washington Pheasant Enhancement Account-State, Regional Fisheries Enhancement Account-Non-Appropriated, Off Road Vehicle Account-State)

## Department of Natural Resources

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>54,315</b>	<b>196,152</b>	<b>250,467</b>
2001 Supplemental *	5,143	3,823	8,966
<b>Total 1999-01 Biennium</b>	<b>59,458</b>	<b>199,975</b>	<b>259,433</b>
<b>2001-03 Maintenance Level</b>	<b>58,029</b>	<b>200,265</b>	<b>258,294</b>
<b>Policy Changes</b>			
1. General Inflation	-99	-458	-557
2. Attorney General Support	130	410	540
3. Forest Nursery Investments	0	350	350
4. Stabilize Fire Protection Funding	4,400	-4,400	0
5. Stabilize Fire Protection - Fees	0	641	641
6. Public Use	375	375	750
7. Salmon Recovery Account Adjustment	0	-3,459	-3,459
8. Trust Land Management Activities	0	4,223	4,223
9. Mgmt Funding for Ag Trust Lands	1,790	0	1,790
10. Trust Land Forest Road Improvements	0	3,800	3,800
11. Forest and Fish Implementation	2,500	3,525	6,025
12. Surface Mine Reclamation Program	0	828	828
13. Dredged Material Management	0	266	266
14. Aquatic Lands Asset Management	0	1,000	1,000
15. Cherry Point Ecological Evaluation	0	300	300
16. Implementing Legislative Fire Study	5,400	0	5,400
17. Continued Control of Spruce Budworm	0	246	246
18. Sustain Natural Areas Stewardship	550	550	1,100
19. Forest Legacy Support	300	0	300
20. Outdoor Burning Program Reduction	0	-157	-157
21. Program/Administration Efficiencies	-400	0	-400
22. Off Road Vehicle Program Reduction	0	-164	-164
23. Management of Marine Reserves	0	100	100
24. Lake Whatcom Roads Decommissioning	0	2,000	2,000
<b>Total 2001-03 Biennium</b>	<b>72,975</b>	<b>210,241</b>	<b>283,216</b>
Fiscal Year 2002 Total	36,709	103,875	140,584
Fiscal Year 2003 Total	36,266	106,366	142,632

### Comments:

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, various other funds)
2. **Attorney General Support** - Funding is provided to support increased legal services from the Office of the Attorney General relating to upland and aquatic property issues including trespass, rights-of-way applications, real property transactions, implementing the incidental take permit, and assistance with pending forest practice litigation. (General Fund-State, various other funds)
3. **Forest Nursery Investments** - One-time funding is provided for forest nursery investments to maintain the reforestation information management system, construct an additional greenhouse to culture nursery stock, and to convert water-cooled compressors to air-cooled compressors. (State Forest Nursery Revolving Account)
4. **Stabilize Fire Protection Funding** - Funding is provided to offset insufficient revenues to the Forest Fire Protection Assessment Account to cover ongoing fire prevention activities in the 2001-03 biennium. The General Fund-State account will be used to help offset the shortfall. (General Fund-State, Forest Fire Protection Assessment Account-Non-Appropriated)
5. **Stabilize Fire Protection - Fees** - Funding is provided to implement Chapter 279, Laws of 2001 (SHB 2104 - Forest Fire Protection). Landowners are currently assessed a fee to pay for fire protection from the Department of Natural Resources, and the bill increases assessments from 22 cents to 25 cents per acre. Funding is provided to develop and administer a database with which the Department will calculate the assessments for owners of multiple parcels thereby reducing refunds. Additional expenditures for the fire protection assessment of trust land are authorized. (Forest Fire Protection Assessment Account-Non-Appropriated)



## Department of Natural Resources

Appropriated, Forest Development Account, Resource Management Cost Account)

6. **Public Use** - Funding is provided for maintenance of state lands open to public use. (General Fund-State, Aquatic Lands Enhancement Account)
7. **Salmon Recovery Account Adjustment** - Funding is removed for activities supported by the Salmon Recovery Account funded in the 1999-01 biennium from one-time revenue sources. (Salmon Recovery Account)
8. **Trust Land Management Activities** - Funding is provided for enhanced silviculture activities, improvements to the product sales system, and additional timber sales staff. (Forest Development Account, Resource Management Cost Account,)
9. **Mgmt Funding for Ag Trust Lands** - Funding is provided for management expenses for agricultural trust lands. General Fund-State funds are appropriated to the Agricultural College Trust Management Fund to manage approximately 70,700 acres of Washington State University's Agricultural College Trust Lands.
10. **Trust Land Forest Road Improvements** - Funding is provided to inventory state forest roads within five years and upgrade road systems in 15 years to meet the requirements of the new Forests and Fish Agreement. The work will include the evaluation, survey, and mapping of forest roads as well as improvements or abandonment of these roads. (Access Road Revolving Account, Forest Development Account)
11. **Forest and Fish Implementation** - Funding is provided to continue implementation of the Forests and Fish Agreement. Specific work will include forest practices rule enforcement, completion of a ten-county small forest landowner data system, a road maintenance and abandonment plan, and desired future condition data systems, and cultural resources protection. (General Fund-State, Salmon Recovery Account, Water Quality Account)
12. **Surface Mine Reclamation Program** - Funding is provided to implement Chapter 5, Laws of 2001, 1st sp.s. (EHB 1845 - Surface Mine Reclamation Fees). Increased funding will be used to provide technical assistance to surface mine operators. (Surface Mine Reclamation Account)
13. **Dredged Material Management** - Funding is provided for managing dredged material disposal sites on state-owned aquatic lands (SOAL). The Department plans to increase disposal monitoring to address the construction of a new shipping terminal in Pierce County and new requirements under the federal Endangered Species Act. (Aquatic Lands Dredged Material Disposal Site)
14. **Aquatic Lands Asset Management** - Funding is provided to improve management of SOAL. The Department will streamline the use authorization process for businesses operating on SOAL and issue decisions on 325 pending lease applications by June 30, 2002. The Department, in consultation with the Attorney General, shall develop a strategic program to resolve claims related to contaminated sediments on SOAL. (Resource Management Cost Account, Aquatic Lands Enhancement Account)
15. **Cherry Point Ecological Evaluation** - Funding is provided to evaluate the Cherry Point herring stock and marine ecosystem. Results of these evaluations will provide the scientific basis to make management decisions concerning aquatic use requests. (Resource Management Cost Account)
16. **Implementing Legislative Fire Study** - Funding is provided to implement provisions of a 1997 review of the Department of Natural Resources' fire program. Additional staff and equipment are provided to fully support 113 firefighter engines.
17. **Continued Control of Spruce Budworm** - Funding is provided to control the Spruce budworm on federally-granted trust lands. (Resource Management Cost Account)
18. **Sustain Natural Areas Stewardship** - Funding is provided to continue an enhancement in the 1999-01 biennium for operating and maintenance of state natural areas. Funding will continue education programs at Lake Louise, Chehalis River Surge Plain, Mima Mounds, Mount Si, and Tiger Mountain natural areas, regional volunteer programs, and regional weed teams. (General Fund-State, Aquatic Lands Enhancement Account)
19. **Forest Legacy Support** - Funding is provided to support administrative costs of the Forest Legacy Program. New federal requirements will no longer allow federal funds to be used to support the cost of program administration.
20. **Outdoor Burning Program Reduction** - Funding is decreased for the Outdoor Burning Program due to a projected revenue decrease and reallocation of administration costs. The Department will make the following changes to the program: 1) increase the minimum size fire that requires smoke management approval from 100 tons to 500 tons of fuel; and 2) increase the minimum fire size that requires a permit from 10 feet by 10 feet to 20 feet by 20 feet. (Air Pollution Control Account)
21. **Program/Administration Efficiencies** - Funding is reduced for General Fund-State supported programs and administration. In implementing this reduction, the Department shall not reduce expenditures authorized in the 2001-03 biennium for fire protection, fire suppression, natural areas management, or forest practices activities.
22. **Off Road Vehicle Program Reduction** - Due to a projected revenue decrease and increased operating costs, the Department anticipates closing approximately 11 campground sites where off road vehicle use occurs. (Off Road Vehicle Account)

## Department of Natural Resources

23. **Management of Marine Reserves** - Funding is provided for development and initial implementation of a statewide management plan for marine reserves. (Aquatic Lands Enhancement Account)
24. **Lake Whatcom Roads Decommissioning** - Funding is provided to decommission, maintain, and repair roads in the Lake Whatcom watershed. (Forest Development Account)

\* Please see the 2001 Supplemental Operating Budget Section for additional information.

### ***Governor's Vetoes:***

The Governor vetoed Section 308(6) of Chapter 7, Laws of 2001, 2nd sp.s., Partial Veto (ESSB 6153), which restricted the use of funds appropriated from the Access Road Revolving Fund.

## Department of Agriculture

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>15,392</b>	<b>66,447</b>	<b>81,839</b>
<b>2001-03 Maintenance Level</b>	<b>15,443</b>	<b>68,648</b>	<b>84,091</b>
<b>Policy Changes</b>			
1. General Inflation	-104	-269	-373
2. Salmon Recovery Pesticide Strategy	0	1,130	1,130
3. Agricultural Marketing	700	700	1,400
4. Abandoned Orchards	0	900	900
5. Information Technology Coordinator	0	134	134
6. Spartina Eradication	0	1,480	1,480
7. Small Farm Direct Marketing	150	150	300
<b>Total 2001-03 Biennium</b>	<b>16,189</b>	<b>72,873</b>	<b>89,062</b>
Fiscal Year 2002 Total	8,165	36,238	44,403
Fiscal Year 2003 Total	8,024	36,635	44,659

### Comments:

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, various other funds)
2. **Salmon Recovery Pesticide Strategy** - Funding is provided to establish a program to monitor pesticides in surface water, evaluate pesticide exposure on Endangered Species Act (ESA)-listed salmon, and implement actions needed to protect salmon. This analysis and implementation will support the state and Environmental Protection Agency's inclusion in future ESA 4(d) rule exceptions related to pesticide use and application practices. (Agriculture Local Account-Non-Appropriated, State Toxics Control Account)
3. **Agricultural Marketing** - Funding is provided to implement Chapter 324, Laws of 2001 (SHB 1891 - Marketing of Agriculture). State funds will be matched with agriculture industry funds to promote Washington agricultural products and address trade barriers. (General Fund-State, General Fund-Local)
4. **Abandoned Orchards** - Funding is provided to the Department to reimburse county horticultural pest and disease boards for the cost of pest control activities, including tree removal, on abandoned orchards. (State Toxics Control Account, Agricultural Local Account-Non-Appropriated)
5. **Information Technology Coordinator** - Funding is provided for the agency's digital government efforts, including coordination of on-line information and web-based services. (Agriculture Local Account-Non-Appropriated)
6. **Spartina Eradication** - Funding is provided to initiate a four-year plan to eradicate infestations of spartina in Puget Sound, Hood Canal, and Grays Harbor and begins the reduction in Spartina infestations in Willapa Bay, eradicating 25 percent of the 4,000-plus acres of spartina in Willapa Bay in the first two years. (Aquatic Lands Enhancement Account-State)
7. **Small Farm Direct Marketing** - A small farm and direct marketing program is established to support small farms in complying with federal, state, and local regulations, facilitating access to food processing centers, and assisting with grant funding requests. (General Fund-State, General Fund-Federal)

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the Department of Agriculture's budget is shown in the Transportation Budget Section of this document.

## Washington Pollution Liability Insurance Program

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>0</b>	<b>2,094</b>	<b>2,094</b>
<b>2001-03 Maintenance Level</b>	<b>0</b>	<b>2,167</b>	<b>2,167</b>
<b>Policy Changes</b>			
1. General Inflation	0	-17	-17
<b>Total 2001-03 Biennium</b>	<b>0</b>	<b>2,150</b>	<b>2,150</b>
Fiscal Year 2002 Total	0	1,065	1,065
Fiscal Year 2003 Total	0	1,085	1,085

**Comments:**

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Pollution Liability Insurance Program Trust Account, Heating Oil Pollution Liability Trust Account)

# Transportation

The majority of funding for transportation services is included in the transportation budget, not in the omnibus appropriations act. The omnibus appropriations act includes only a portion of the funding for the Department of Licensing and the Washington State Patrol. Therefore, the notes contained in this section are limited. For additional information on transportation funding, please see the Transportation Budget and Special Appropriations sections of this document.

## **Department of Licensing**

A total of \$924,000 is provided for information technology upgrades and improvements. Many of the improvements are designed to offer business and professional licensing services over the Internet. In addition to the \$924,000, the Department of Licensing may also seek funding for the general fund portion of its technology projects by applying to the Department of Information Services for a share of funds from the \$7.5 million combined technology pool. This \$7.5 million pool is a competitive information technology pool for state executive branch agencies.

An amount of \$125,000 is provided for costs associated with a half-time management analyst position and contracted psychometrician services to allow the Private Investigator Program to revise licensing tests to meet statutory requirements. The budget also includes \$107,000 for additional costs associated with adjudicative proceedings in the Security Guard licensing program.

## **Washington State Patrol**

Funding is provided for a variety of activities at the state and local levels to address methamphetamine issues. In the Washington State Patrol's (WSP) budget, \$1.4 million is provided to: add two staff to the full-time methamphetamine response team; enhance the ability of the crime labs to assist in the investigation of clandestine lab operations; and establish a Training and Education Resource Center to provide information to government agencies, businesses, and individuals in dealing with methamphetamine issues.

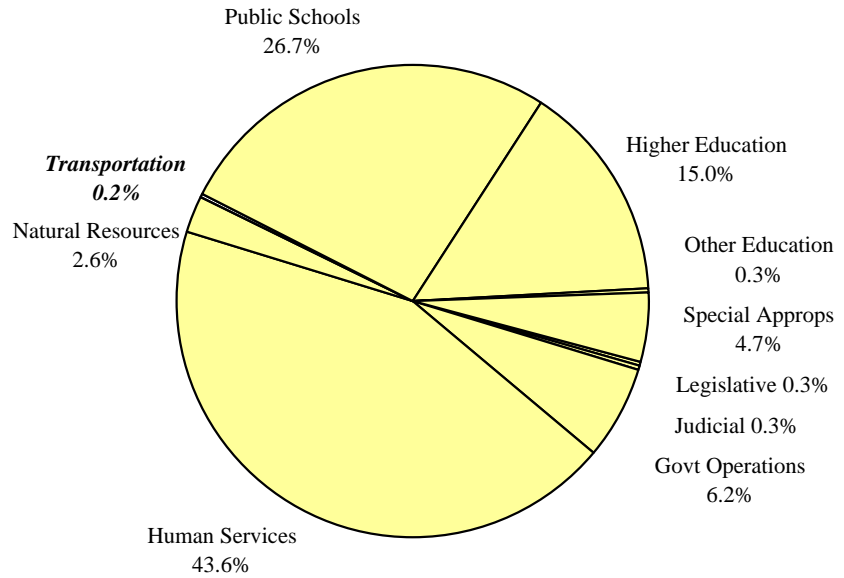
A total of \$607,000 is provided for ongoing staff support for the Washington State Identification System, the Washington Crime Information Center, and the Sex Offender Registry systems, which have been integrated into a single system known as "W2" that allows criminal justice and other users to get information concerning an offender from one place at any time. Additionally, the budget includes \$328,000 to allow WSP to implement a criminal intelligence index that provides 24-hour access to intelligence information for all criminal justice agencies.

In the 1998 legislative session, certain activities and portions of programs within WSP were transferred to the omnibus operating budget from the transportation budget. Beginning in fiscal year 2003, these activities are transferred back to the transportation budget. This transfer is predicated upon the enactment of new transportation revenue.

**2001-03 Washington State Operating Budget**  
**Total Budgeted Funds**  
(Dollars in Thousands)

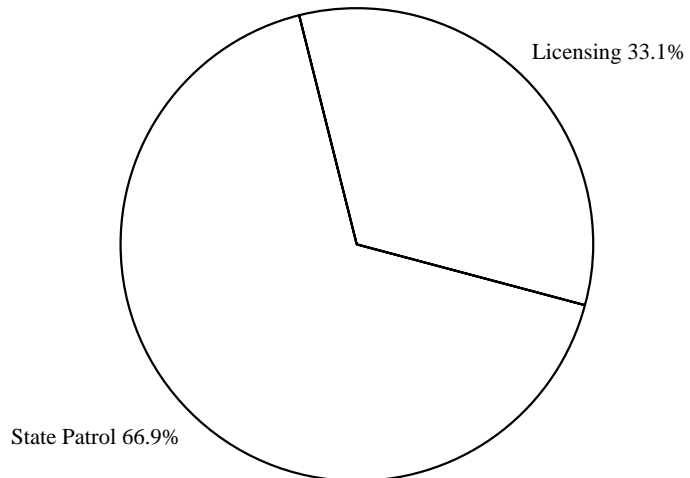
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Legislative	139,285
Judicial	141,697
Governmental Operations	2,707,559
Human Services	18,911,595
Natural Resources	1,123,648
<b>Transportation</b>	<b>104,494</b>
Public Schools	11,571,857
Higher Education	6,502,726
Other Education	116,415
Special Appropriations	2,036,571
<b>Statewide Total</b>	<b>43,355,847</b>



**Washington State**

Washington State Patrol	69,929
Dept of Licensing	34,565
<b>Transportation</b>	<b>104,494</b>

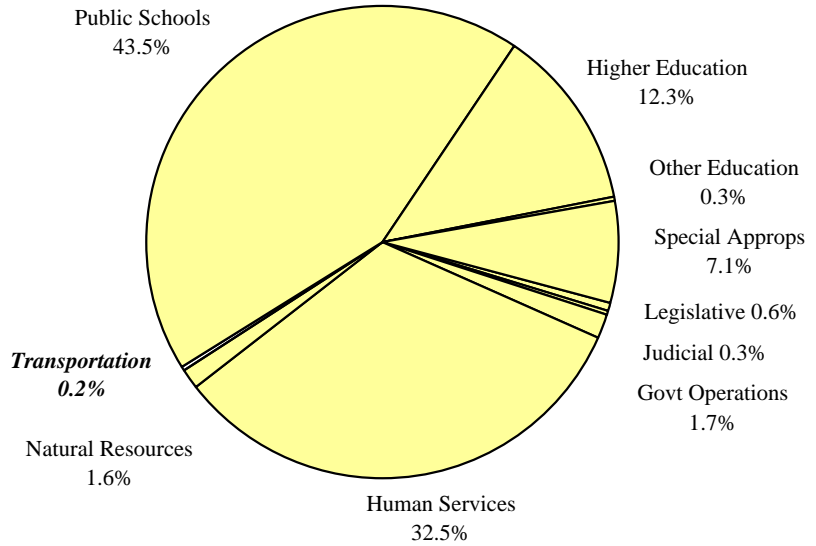


**Transportation**

**2001-03 Washington State Operating Budget**  
**General Fund-State**  
(Dollars in Thousands)

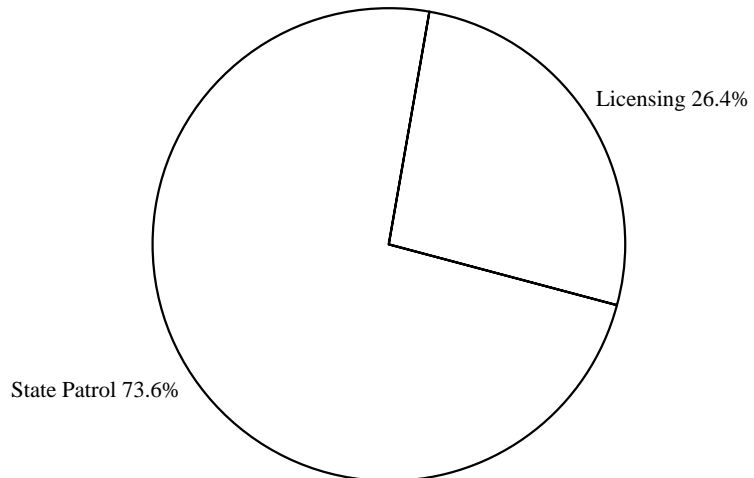
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Legislative	133,124
Judicial	71,679
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Human Services	7,415,303
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Higher Education	2,800,460
Other Education	59,988
Special Appropriations	1,611,095
<b>Statewide Total</b>	<b>22,783,238</b>



**Washington State**

Washington State Patrol	29,956
Dept of Licensing	10,766
<b>Transportation</b>	<b>40,722</b>



**Transportation**

## Department of Licensing

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>10,501</b>	<b>22,590</b>	<b>33,091</b>
2001 Supplemental *	152	-50	102
<b>Total 1999-01 Biennium</b>	<b>10,653</b>	<b>22,540</b>	<b>33,193</b>
<b>2001-03 Maintenance Level</b>	<b>10,561</b>	<b>23,249</b>	<b>33,810</b>
<b>Policy Changes</b>			
1. Expanded Internet Services	0	130	130
2. Equipment Replacement	0	13	13
3. Internet Payment Option	0	621	621
4. General Inflation	-27	-41	-68
5. Private Investigator Exam	125	0	125
6. Security Guard Adjudicative Process	107	0	107
7. Adjust Real Estate Account	0	-333	-333
8. Implement Technology Strategies	0	124	124
9. Technology Security Enhancements	0	36	36
<b>Total 2001-03 Biennium</b>	<b>10,766</b>	<b>23,799</b>	<b>34,565</b>
Fiscal Year 2002 Total	5,389	12,168	17,557
Fiscal Year 2003 Total	5,377	11,631	17,008

### Comments:

1. **Expanded Internet Services** - Funding is provided for the Business and Professions Division (BPD) to offer additional services over the Internet. BPD will use funding to provide electronic license renewals for engineers, cosmetologists, geologists, and plant nurseries. The state general fund portion of this project may receive funding from a combined technology pool which the budget appropriates separately. (Professional Engineers' Account, Master License Account, Geologists' Account, Data Processing Revolving Account)
2. **Equipment Replacement** - A regular three-year information technology equipment replacement program is established for the agency's Management and Support Services and BPD. The state general fund portion of this project may receive funding from a combined technology pool which the budget appropriates separately. (Architects' License Account, Professional Engineers' Account, Real Estate Commission Account, Master License Account)
3. **Internet Payment Option** - Ongoing operational costs and full-time equivalent staff positions are provided so that the Department of Licensing (DOL) can continue to offer Master License Service business license renewals over the Internet. DOL customers will be able to make their payments using a credit card. (Master License Account)
4. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, Other funds)
5. **Private Investigator Exam** - Funding is provided for costs associated with a half-time management analyst position and contracted psychometrician services to allow the Private Investigator (PI) Program to review and revise tests to meet statutory requirements. Tests are to be conducted to determine minimum knowledge required to open a PI company or to act as a certified trainer for investigation companies.
6. **Security Guard Adjudicative Process** - Funding is provided for the costs associated with conducting adjudicative proceedings in the Security Guard Licensing Program. Additionally, funding is also provided for training to Security Guard companies on preventive measures to mitigate the number of applications that require adjudicative proceedings.
7. **Adjust Real Estate Account** - Appropriation authority is reduced to match adjusted expenditures and revenues for the Real Estate Education Account. (Real Estate Education Account)
8. **Implement Technology Strategies** - Funding is provided to convert existing legacy computer applications (circa 1970) to newer, server-based technology. Training and additional staff to facilitate the conversion and software tools are also funded. The state general fund portion of this project may receive funding from a combined technology pool which the budget appropriates separately. (Architects' License Account, Cemetery Account, Professional Engineers' Account, Real Estate Commission Account, Master License Account, Uniform Commercial Code Account, Funeral Director and Embalmers' Account)
9. **Technology Security Enhancements** - DOL will retain an outside consulting firm to perform an agency-wide information technology risk assessment and vulnerability analysis. This assessment will become the foundation for the agency's ongoing security program and business resumption



## Department of Licensing

plans. The state general fund portion of this project may receive funding from a combined technology pool which the budget appropriates separately. (Architects' License Account, Professional Engineers' Account, Real Estate Commission Account, Master License Account, Uniform Commercial Code Account, Funeral Directors and Embalmers' Account)

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the Department of Licensing's budget is shown in the Transportation Budget Section of this document.

\* Please see the 2001 Supplemental Operating Budget Section for additional information.

## Washington State Patrol

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>42,322</b>	<b>34,884</b>	<b>77,206</b>
2001 Supplemental *	113	0	113
<b>Total 1999-01 Biennium</b>	<b>42,435</b>	<b>34,884</b>	<b>77,319</b>
<b>2001-03 Maintenance Level</b>	<b>45,075</b>	<b>35,113</b>	<b>80,188</b>
<b>Policy Changes</b>			
1. General Inflation	-385	-247	-632
2. Fund GF-S with Other Funds	-2,100	2,100	0
3. Regional Methamphetamine Program	0	1,419	1,419
4. Crime Intelligence Index	0	328	328
5. Transfer Activities to Transpo	-12,634	0	-12,634
6. DNA Testing	0	100	100
7. Spokane Toxicology Lab Services	0	553	553
8. Offender Information System Support	0	607	607
<b>Total 2001-03 Biennium</b>	<b>29,956</b>	<b>39,973</b>	<b>69,929</b>
Fiscal Year 2002 Total	21,890	20,592	42,482
Fiscal Year 2003 Total	8,066	19,381	27,447

### Comments:

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, other funds)
2. **Fund GF-S with Other Funds** - A portion of the Washington State Patrol's (WSP) activities currently funded with General Fund-State are transferred to the Public Safety and Education Account (PSEA). The transfer is feasible based on the fund balance in PSEA. (General Fund-State, Public Safety and Education Account)
3. **Regional Methamphetamine Program** - Funding is provided for a variety of activities at the state and local levels to address methamphetamine issues. In the WSP's budget, \$1.4 million is provided to: add two staff to the full-time methamphetamine response team; enhance the ability of the crime labs to assist in the investigation of clandestine lab operations; and establish a Training and Education Resource Center to provide information to government agencies, businesses, and individuals in dealing with methamphetamine issues. (Public Safety and Education Account)
4. **Crime Intelligence Index** - In order to better facilitate the sharing of criminal intelligence, one-time funding is provided for the WSP to establish a criminal intelligence index. This system will utilize the existing nation-wide Regional Information Sharing System Network providing 24-hour access to intelligence information for all criminal justice agencies. (Public Safety and Education Account)
5. **Transfer Activities to Transpo** - In the 1998 legislative session, certain activities and portions of programs within WSP were transferred to the omnibus operating budget from the transportation budget. Beginning in FY 2003, these activities are transferred back to the transportation budget. This transfer is predicated upon the enactment of new transportation revenue.
6. **DNA Testing** - Funding is provided for the implementation of Chapter 301, Laws of 2001 (SSB 5896), which allows any convicted felon, currently incarcerated, to request post-conviction DNA testing. If the request is approved by the local prosecutor or the Attorney General's office, WSP crime labs would conduct the DNA testing and analysis. (Public Safety and Education Account)
7. **Spokane Toxicology Lab Services** - Funding is provided for two forensic scientist positions and associated scientific equipment to enhance toxicology services to eastern Washington. About 25 percent of toxicology casework and court testimony originates in eastern Washington. The WSP will house the additional forensic scientists in the Seattle Crime Laboratory until a new Spokane Crime and Toxicology Laboratory facility is constructed in the 2003-05 biennium. (Death Investigations Account)
8. **Offender Information System Support** - Funding is providing for ongoing staff support for the Washington State Identification System, the Washington Crime Information Center, and the Sex Offender Registry systems, which have been integrated into a single system known as "W2" that allows criminal justice and other users to get information concerning an offender from one place at any time. (Public Safety and Education Account)

## Washington State Patrol

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of WSP's budget is shown in the Transportation Budget Section of this document.

\* Please see the 2001 Supplemental Operating Budget Section for additional information.

### ***Governor's Vetoes:***

The Governor vetoed Section 402(5) of Chapter 7, Laws of 2001, 2nd sp.s., Partial Veto (ESSB 6153), which required WSP to conduct a study of the mobilization of state fire service resources.



# Public Schools

## Compensation

### **Initiative 732 Cost-of-Living Adjustments (COLAs) – \$318.0 million General Fund-State**

Funds are provided to implement Initiative 732 to provide annual COLAs for state-funded teachers and staff in public schools. The COLA is based on the Seattle consumer price index and provides an increase of 3.7 percent for the 2001-02 school year. Another increase for the 2002-03 school year will be provided, with the specific rate to be specified by the 2002 Legislature consistent with the provisions of Initiative 732.

Salary increases for non-state funded staff are expected to come from the source of funds for the salaries. For example, increases for levy-funded staff are to be paid from levy funds.

### **Health Benefit Increases – \$80.6 million General Fund-State**

Funds are provided to increase the 2000-01 school year health benefit rate allocation per full-time equivalent (FTE) employee from \$425.89 to \$455.27 per month for 2001-02, and to \$493.59 per month for 2002-03. These increases are comparable to the increases provided to state employees.

### **Pension Rate Changes – \$136.8 million General Fund-State Savings**

The Public Employees' Retirement System (PERS) and School Employees' Retirement System (SERS) employer contribution rate adopted by the Pension Funding Council for the 2001-03 biennium was 3.21 percent and the Teachers' Retirement System (TRS) employer contribution rate was 5.38 percent. Effective July 1, 2001, the PERS employer rate is further reduced to 1.54 percent, and effective September 1, 2001, the SERS employer rate is also further reduced to 1.54 percent and the TRS employer rate is further reduced to 2.75 percent. These rates are set in accordance with Chapter 11, Laws of 2001, 2<sup>nd</sup> sp.s., Partial Veto (ESSB 6167 – State Retirement Systems), which increases the long-term actuarial assumptions for future wage growth and investment returns, and re-establishes the June 30, 2024, deadline for funding all of the liabilities of PERS Plan 1 and TRS Plan 1.

## Class Room Resources/Lower Class Size

### **Initiative 728 – \$393.3 million Student Achievement Fund, \$76.7 million Education Construction Account**

Initiative 728 requires a portion of lottery revenues, a portion of state property taxes with established dollar per student amounts, and excess emergency reserve funds to be deposited into the newly created Student Achievement Fund and the Education Construction Account.

Deposits to the Student Achievement Fund are expected to total \$393.3 million. The funds will be distributed to school districts at a rate of \$193.92 per FTE student for the 2001-02 school year and \$220.59 per FTE student for the 2002-03 school year. The permissible uses of this fund are: smaller classes in grades K-4; smaller classes for certain grade 5-12 classes; extended learning opportunities in grades K-12; professional development for educators; early childhood programs; and building improvements or additions to support class size reductions or extended learning programs.

The \$76.7 million of Education Construction Account moneys are appropriated in the capital budget and are used for K-12 and higher education school construction.

### **K-4 Class Size/Extended Learning – \$85.7 million General Fund-State Savings**

Funds are provided to continue the Better Schools class-size and extended learning component. The Better Schools Program is eliminated and the K-4 class size funds are transferred to the Apportionment Program. This transfer consolidates multiple funding sources for grades K-4 staffing allocations into one program. This

component continues funding for the additional 2.2 certificated instructional staff per 1,000 FTE students for class size reduction and extended learning purposes in grades K-4. These funds are not considered part of the state's basic education allocation.

### **Continuing Education Reform and School Improvement**

#### **Reading Corps – \$7.8 million General Fund-State**

Funds are provided for Reading Corps grants for schools in which significant numbers of students in grades K-6 do not perform well on reading assessments. The reading programs may be provided before, during, or after the school day, and on Saturdays, summer, intercessions, or other vacation periods. The grants are to be used for proven, research-based programs provided by mentors or tutors and must include pre- and post- testing to determine the effectiveness of the programs.

#### **Focused Assistance – \$2.8 million General Fund-State**

Funding is provided to the Office of the Superintendent of Public Instruction to conduct educational audits of low-performing schools and to enter into performance agreements to implement the recommendations of the audit and the community. Each educational audit will include recommendations for best practices and ways to address identified needs.

#### **Mentor/Beginning Teacher Assistance Expansion – \$2.5 million General Fund-State**

Funding for teacher mentoring is increased from \$3.4 million per year to \$4.7 million per year. Up to \$200,000 per year may be used for a mentor teacher academy.

#### **Alternative Teacher Certification Routes – \$2.0 million General Fund-State**

Funds are provided to implement Chapter 158, Laws of 2001 (E2SSB 5695 – Alternative Teacher Certification). The bill creates two grant programs: one providing stipends for alternative teacher candidates and teacher mentors; and the other, conditional scholarships providing forgivable loans to alternative teacher candidates if they teach in Washington public schools.

#### **Math Helping Corps Expansion – \$1.7 million General Fund-State**

Funds are provided to expand the Math Helping Corps from the current \$2.0 million to \$3.7 million. The purpose of the Math Helping Corps is to provide assistance to school districts having difficulties meeting the math standards under education reform.

#### **Principal Leadership Development Expansion – \$1.0 million General Fund-State**

Funds are provided to expand the Principal Leadership Development Program from the current \$250,000 to \$1.25 million. Principals participating in the program will establish a growth plan in coordination with an assigned mentor who will monitor and assist the principal in achieving the desired professional growth.

#### **State Leadership for School Improvement – \$768,000 General Fund-State**

Funding and staff previously allocated to the Center for the Improvement of Student Learning are redirected for the Superintendent to assist schools in implementing high academic standards, aligning curriculum with these standards, and training teachers to use assessments to improve student learning. Funds may also be used to increase community and parental awareness of education reform.

#### **Web-Based Instructional Network – \$260,000 General Fund-State**

Funding is provided for the development and posting of web-based instructional tools, assessment data, and other information that assists schools and teachers in implementing higher academic standards.

#### **National Teacher Certification Bonus – \$241,000 General Fund-State**

Funds are provided to increase the duration of the \$3,500 annual bonus for attaining national teacher certification from the current two years to three years.

## **School Safety**

### **School Safety Allocation Increase – \$6.1 million General Fund-State**

Funds are provided for a school safety allocation to school districts at a rate of \$6.36 per student per year. The total biennial allocation for school safety is \$12.1 million and can be used to create and implement school safety plans.

### **Anti-Bullying/Harassment Training – \$500,000 General Fund-State**

Funds are provided to the Office of the Superintendent of Public Instruction to create a model policy that school districts can use as a guide for training programs.

### **Non-Violence Leadership Training – \$300,000 General Fund-State**

Funds are provided for a non-violence leadership training program offered by the Institute for Community Leadership headquartered in Seattle. The program consists of school-based workshops that use reading, writing, listening, and public speaking to build character and to develop skills for a changing society. The funds are expected to provide up to 80 percent funding for workshops serving 12 school districts and 36 schools.

### **School Safety Training – \$216,000 General Fund-State**

Funds are provided to implement a school safety training program for school administrators and school safety personnel provided by the Criminal Justice Training Commission.

### **School Safety Center – \$200,000 General Fund-State**

Funds are provided to establish a School Safety Center located in the Office of the Superintendent of Public Instruction. The main functions of the safety office are to provide model comprehensive school safety plans to schools and to provide assistance to schools in developing and implementing comprehensive safe school plans.

## **Other Enhancements**

### **Increase the Special Education Enrollment Maximum – \$2.9 million General Fund-State**

Starting with the 2002-03 school year, funds are provided to increase the percentage of a school district's FTE enrollment funded as special education from the current maximum of 12.7 percent to 13.0 percent.

### **LASER Science Program – \$1.7 million General Fund-State**

Funds are provided for the LASER Science Program. Under the program, the Superintendent of Public Instruction will contract with the Pacific Science Center for a statewide program coordinator and the initial purchase of science kits for districts that participate in the LASER Program. Districts participating in the LASER Program write a five-year strategic plan for implementing a science education program for grades K-8 and provide professional development for teachers and administrators.

### **OSPI Information Systems – \$700,000 General Fund-State**

Funding is provided to upgrade information systems in the Office of the Superintendent of Public Instruction. Priority will be given to upgrading the general apportionment system and continuing work on the student information system.

## **Savings and Reductions**

### **Better Schools Program Staff Development – \$40.2 million General Fund-State Savings**

The staff development portion of the Better Schools Program created by the 2000 Legislature is not continued.

### **Block Grant – \$17.6 million General Fund-State Savings**

The block grant allocation per student is reduced from \$28.81 per K-12 student per year to \$18.48 per student. Block grant funds are discretionary funds that can be used by school districts for any educational purpose.

**Traffic Safety Education – \$8.1 million General Fund-State Savings**

Beginning with the 2001-02 school year, the state subsidy of \$137 per student for the driver education program is eliminated. The subsidy of \$203.97 is continued for driver education students eligible for free and reduced-price lunches.

**Washington Assessment of Student Learning (WASL) Adjustments – \$6.3 million General Fund-State Savings**

Various budget adjustments are made for the WASLs based on the following: savings of \$285,000 from reduction in the number of advisory committee members used to develop the WASLs; \$300,000 in savings from separating the question and answer booklets which reduces scoring costs; \$415,000 in efficiency savings and other adjustments; and availability and utilization of at least \$1.0 million of federal funds in fiscal year 2002 and at least \$2.0 million in fiscal year 2003. Including state and federal funds, the change in assessment timelines and double scoring, this budget increases WASL funding from \$19.9 million to \$25.1 million for the 2001-03 biennium.

**Statewide Programs – \$3.8 million General Fund-State Savings**

The allocation for statewide programs is reduced by \$3.8 million. Statewide programs include a number of health and safety, technology, and grant and allocation programs amounting to \$36.7 million.

**Information Technology Workforce Training – \$3.6 million General Fund-State Savings**

Funding is eliminated for information technology workforce training grants. This grant program was initiated by the 1999 Legislature to prepare students to achieve information technology skill certifications. School districts receiving the grants used them to acquire computer software and hardware, improve Internet access, and provide staff training.

**Magnet Schools – \$1.6 million General Fund-State Savings**

Funding for the Magnet School Program is eliminated. The purpose of this program was to provide funds to certain school districts with large minority populations to establish magnet programs to encourage racial integration of schools through voluntary student transfers.

**Discontinue the Center For the Improvement of Student Learning (CISL) – \$1.3 million General Fund-State Savings**

CISL, located in the Office of the Superintendent of Public Instruction, is eliminated. The purpose of the Center is to serve as a clearinghouse for information regarding educational improvement and parental involvement programs. The funds and staff are transferred to other similar functions in the office.

**State Office Administrative Reductions – \$680,000 General Fund-State Savings**

The administration budget of the Superintendent of Public Instruction is reduced by 3 percent through administrative efficiencies and reductions at the state office.

**Geographic Alliance – \$100,000 General Fund-State Savings**

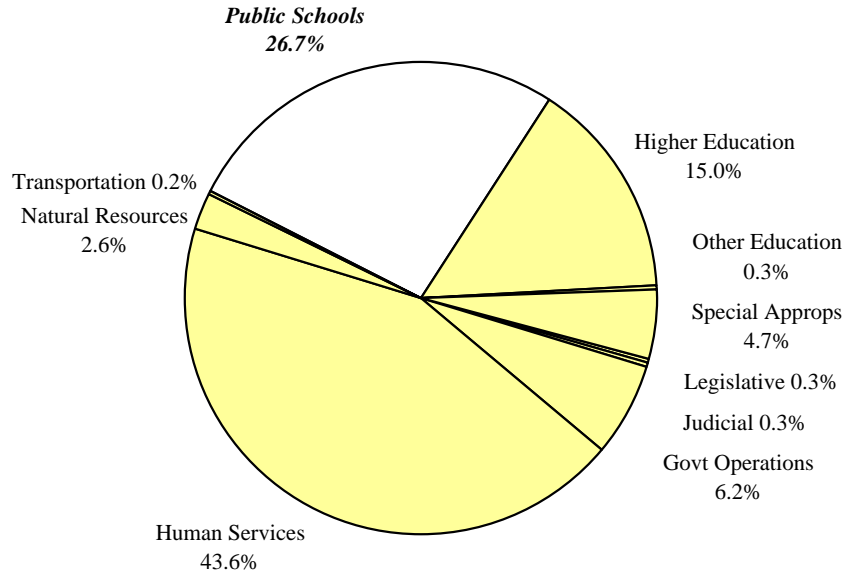
State funding for the geographic alliance is eliminated. The purpose of the program was to train K-12 teachers to improve the teaching of geography in schools.



**2001-03 Washington State Operating Budget**  
**Total Budgeted Funds**  
(Dollars in Thousands)

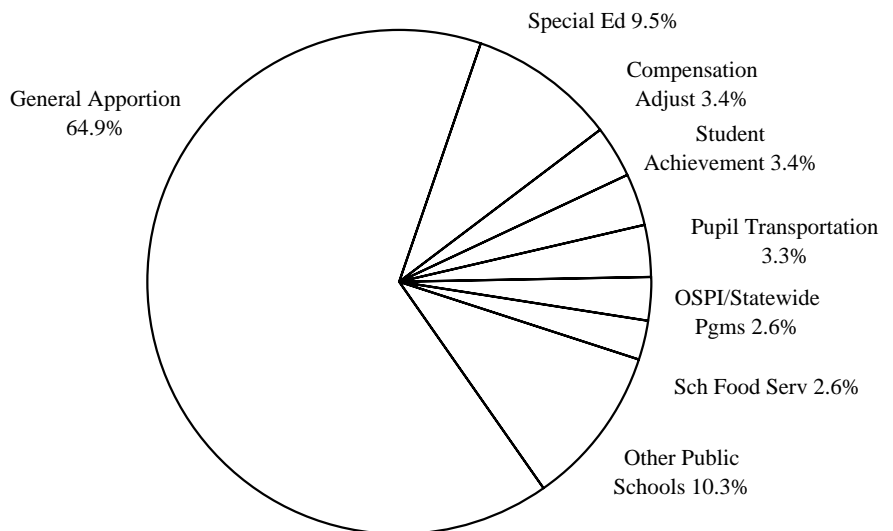
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Higher Education	6,502,726
Other Education	116,415
Special Appropriations	2,036,571
<b>Statewide Total</b>	<b>43,355,847</b>



**Washington State**

General Apportionment	7,512,176
Special Education	1,096,000
Compensation Adj	398,659
Student Achievement	393,300
Pupil Transportation	387,491
OSPI & Statewide Pgms	299,329
School Food Services	296,387
Other Public Schools	1,188,515
<b>Public Schools</b>	<b>11,571,857</b>

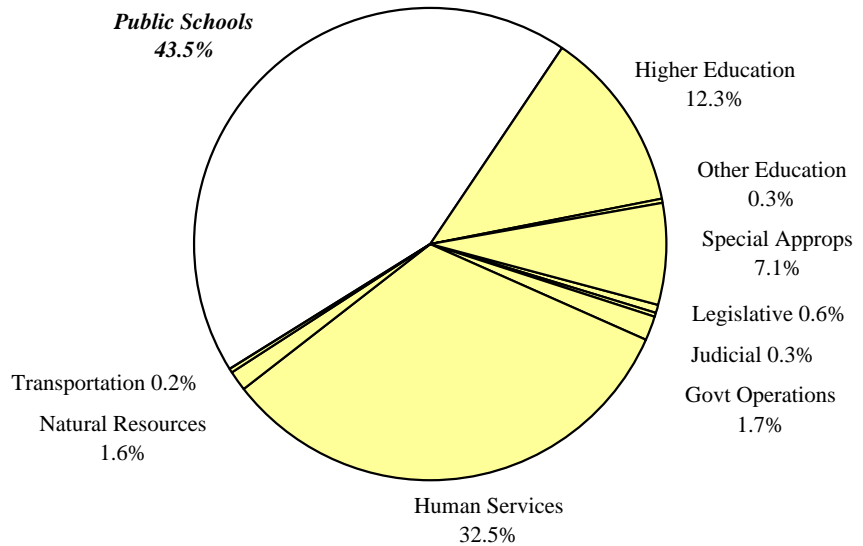


**Public Schools**

**2001-03 Washington State Operating Budget**  
**General Fund-State**  
(Dollars in Thousands)

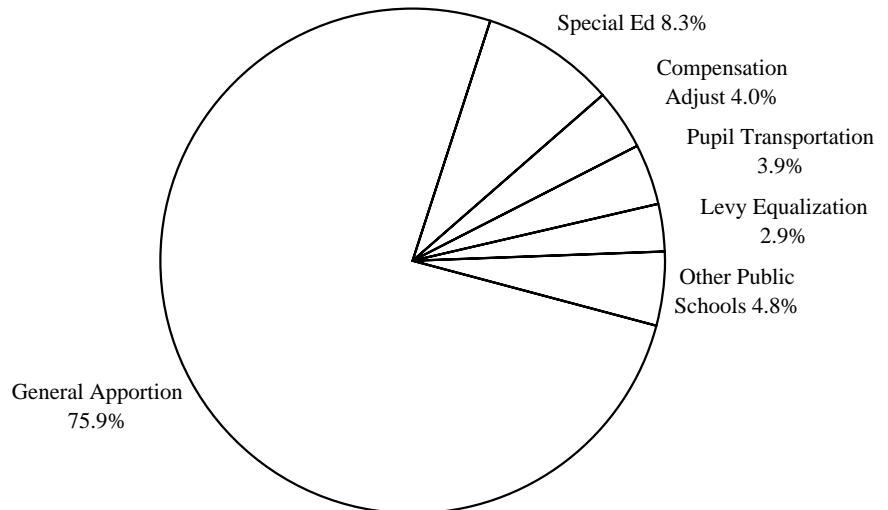
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Other Education	59,988
Special Appropriations	1,611,095
<b>Statewide Total</b>	<b>22,783,238</b>



**Washington State**

General Apportionment	7,512,176
Special Education	839,908
Compensation Adj	398,659
Pupil Transportation	387,491
Levy Equalization	284,644
Other Public Schools	480,208
<b>Public Schools</b>	<b>9,903,086</b>



**Public Schools**

## 2001-03 K-12 Policy Changes

### State Sources

(Dollars in Thousands)

1.	Student Achievement Fund (Initiative 728)	393,300
2.	Cost-of-Living Increase (Initiative 732)	318,024
3.	K-4 Class Size/Extended Learning (Better Schools)	85,738
4.	Health Benefit Increases	80,635
5.	Reading Corps	7,759
6.	Increase School Safety Allocation	6,147
7.	Increase Special Education Enrollment Maximum	2,875
8.	Focused Assistance to Schools	2,800
9.	Expand Mentor/Beginning Teacher Assistance	2,500
10.	Alternative Certification Routes	2,000
11.	LASER Science Program	1,729
12.	Expand Helping Corps	1,656
13.	Expand Principal Leadership Development	1,000
14.	State Leadership for School Improvement	768
15.	OSPI Information Systems	700
16.	Civil Liberties Education & WWII Oral History	600
17.	Anti-Bullying/Harassment Training	500
18.	Non-Violence Leadership Training	300
19.	Web-Based Instructional Network	260
20.	National Teacher Certification Bonus	241
21.	Transfer Center for the Improvement of Student Learning Staff	230
22.	School Safety Training	216
23.	Double Score 10th Grade Writing WASL	209
24.	School Safety Center	200
25.	Performance Assistance & Recognition Plaques	200
26.	Certificate of Mastery Development	100
27.	Return Writing WASL	93
28.	Bilingual Tracking (E2SHB 2025)	70
29.	Pension Rate Changes	-136,847
30.	Eliminate Better Schools Staff Development	-40,178
31.	Move Better Schools Class Size to Apportionment	-85,735
32.	Block Grant Reduction	-17,635
33.	Reduce Traffic Safety Education Allocation	-8,083
34.	WASL Resources, Federal Funds Use	-4,000
35.	Statewide Programs Reduction	-3,818
36.	Eliminate Information Tech Workforce Training	-3,600
37.	Change WASL Assessment Timeline	-2,301
38.	Audit Team Savings	-2,000
39.	Eliminate Magnet School Funding	-1,600
40.	Discontinue CISL	-1,260
41.	State Office Admin Reductions	-680
42.	Eliminate Geographic Alliance	-100
<b>Total</b>		<b>603,013</b>

# Public Schools

## WORKLOAD HISTORY

By School Year

	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	Estimate	
									2002-03	2003-04
<b>General Apportionment</b>										
FTE Enrollment	886,247	904,288	923,467	936,435	946,385	948,485	950,051	947,752	946,032	946,256
% Change from prior year		2.0%	2.1%	1.4%	1.1%	0.2%	0.2%	-0.2%	-0.2%	0.0%
<b>Special Education</b>										
Funded Enrollment <sup>(1)</sup>	107,232	108,185	109,149	111,257	113,249	115,257	116,440	118,275	118,155	118,183
% Change from prior year		0.9%	0.9%	1.9%	1.8%	1.8%	1.0%	1.6%	-0.1%	0.0%
<b>Bilingual Education</b>										
Headcount Enrollment	39,888	42,981	46,029	47,975	52,040	55,650	590,562	62,832	66,395	68,000
% Change from prior year		7.8%	7.1%	4.2%	8.5%	6.9%	961.2%	-89.4%	5.7%	2.4%
<b>Learning Assistance Program</b>										
Entitlement Units <sup>(2)</sup>	117,112	154,867	157,482	159,556	159,481	184,796	177,668	170,785	167,520	164,000
% Change from prior year		32.2%	1.7%	1.3%	0.0%	15.9%	-3.9%	-3.9%	-1.9%	-2.1%

(1) 1995-96 through 1998-99 represent headcount enrollments funded through the main funding formula and do not include additional enrollment funded through the Special Education Safety Net.

(2) Formula changed in 1995 – entitlement units used for allocation purposes only. Actual students served may vary. Allocation formula changed in 1999-00 school year to include 10th and 11th grades.

### Data Sources :

1994-95 through 1998-99 amounts from SPI/OFM and Caseload Forecast Council.

1999-00 through 2003-04 estimates from Legislative Conference Budget.

## Public Schools OSPI & Statewide Programs

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>84,159</b>	<b>84,440</b>	<b>168,599</b>
2001 Supplemental *	0	10,044	10,044
<b>Total 1999-01 Biennium</b>	<b>84,159</b>	<b>94,484</b>	<b>178,643</b>
<b>2001-03 Maintenance Level</b>	<b>59,210</b>	<b>114,457</b>	<b>173,667</b>
<b>Policy Changes</b>			
1. Information Tech Workforce Training	-3,600	0	-3,600
2. State Office Admin Reductions	-680	0	-680
3. Alternative Certification Routes	2,000	0	2,000
4. Anti-Bullying/Harassment Training	500	0	500
5. Advanced Placement Opportunities	0	860	860
6. LASER Science Program	1,729	0	1,729
7. OSPI Information Systems	700	0	700
8. School Safety Allocation	6,147	0	6,147
9. School Safety Office	200	0	200
10. Federal Funds Update	0	112,808	112,808
11. Geographic Alliance	-100	0	-100
12. Magnet Schools	-1,600	0	-1,600
13. Federal Reading Excellence Grant	0	9,900	9,900
14. Statewide Programs Reduction	-3,818	0	-3,818
15. Certificate of Mastery Development	100	0	100
16. Non-Violence Leadership Training	300	0	300
17. School Safety Training	216	0	216
<b>Total 2001-03 Biennium</b>	<b>61,304</b>	<b>238,025</b>	<b>299,329</b>
Fiscal Year 2002 Total	29,631	109,640	139,271
Fiscal Year 2003 Total	31,673	128,385	160,058

**Comments:**

1. **Information Tech Workforce Training** - Funding is eliminated for information technology workforce training grants. This program was started by the 1999 Legislature to prepare students to achieve information technology skill certifications. School districts receiving the grants used them to acquire computer software and hardware, to improve Internet access, and for staff training.
2. **State Office Admin Reductions** - The administration budget of the Office of the Superintendent of Public Instruction (OSPI) is reduced by 3 percent.
3. **Alternative Certification Routes** - Funds are provided to implement Chapter 158, Laws of 2001 (E2SSB 5695). This bill creates two grant programs: one providing stipends for alternative teacher candidates and teacher mentors; and the other, conditional scholarships which provide forgivable loans to alternative teacher candidates if they teach in Washington public schools.
4. **Anti-Bullying/Harassment Training** - Funds are provided for anti-bullying/harassment training. OSPI is to create a model policy that school districts can use as a guide for training programs.
5. **Advanced Placement Opportunities** - Additional federal funding for the Advanced Placement (AP) Fee Program will increase enrollment of low-income individuals in AP courses and increase the availability of these courses in schools serving high poverty areas. In addition, the expanded grant will focus on removing obstacles to AP participation at three pilot sites serving remote schools or high poverty areas. (General Fund-Federal)
6. **LASER Science Program** - Funds are provided for the LASER Science Program. Under the program, the Superintendent of Public Instruction will contract with the Pacific Science Center for a statewide program coordinator and the initial purchase of science kits for districts that participate in the LASER Program. Districts participating in the LASER Program write a five-year strategic plan for implementing a science education program for grades K-8 and provide professional development for teachers and administrators.
7. **OSPI Information Systems** - Funding is provided for information systems in OSPI. Priority will be given to upgrading the general apportionment system and continuing work on the student information system.

## Public Schools OSPI & Statewide Programs

8. **School Safety Allocation** - Funds are provided for an allocation to school districts of up to \$6.36 per full-time equivalent student per year for school safety purposes. The funds were originally to be expended in accordance with the provisions of either House Bill 1818 or Senate Bill 5543 (student safety). Since neither bill was enacted, school districts are encouraged to use the funds for school-based comprehensive safe school plans and to implement the components of the plans, including early prevention and intervention programs, school security monitors, training for staff, equipment and other purposes identified in the safe school plans.

build character and to develop skills for changing society. The funds are expected to provide up to 80 percent of the funding for workshops serving 12 school districts and 36 schools.
9. **School Safety Office** - Funds are provided to create a school safety center located in OSPI. The main functions of the safety office are to disseminate successful models of school safety plans and to provide assistance to schools to establish a comprehensive safe school plan.

\* Please see the 2001 Supplemental Operating Budget Section for additional information.
10. **Federal Funds Update** - Expected expenditures from federal funds are updated based on revised estimates provided by OSPI in March 2001. (General Fund-Federal)
11. **Geographic Alliance** - State funding for the geographic alliance is eliminated. The purpose of the program was to train K-12 teachers to improve the teaching of geography in schools.
12. **Magnet Schools** - Funding for the Magnet School Program is eliminated. The purpose of this Program was to provide funds to certain school districts with large minority populations to establish magnet programs to encourage racial integration of schools through voluntary student transfers.
13. **Federal Reading Excellence Grant** - In 2000, Washington was awarded a Reading Excellence Grant through the United States Department of Education. The Grant initiated the Washington Reads Project, which uses scientifically-based reading research to enhance high quality reading instruction and school programs. The program is established in 30 demonstration schools. (General Fund-Federal)
14. **Statewide Programs Reduction** - The allocation for statewide programs is reduced by \$3.8 million. Statewide programs include a number of health and safety, technology, and grant and allocation programs totaling \$40.5 million.
15. **Certificate of Mastery Development** - Funds are provided to the State Board of Education for a study of the Certificate of Mastery based on other states' experience with similar requirements.
16. **Non-Violence Leadership Training** - Funds are provided for a non-violence leadership training program offered by the Institute for Community Leadership headquartered in Seattle. The program consists of school-based workshops that use reading, writing, listening, and public speaking to
17. **School Safety Training** - Funds are provided to implement a school safety training program for school administrators and school safety personnel provided by the Criminal Justice Training Commission.

## Public Schools General Apportionment

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>6,987,997</b>	<b>0</b>	<b>6,987,997</b>
2001 Supplemental *	9,105	0	9,105
<b>Total 1999-01 Biennium</b>	<b>6,997,102</b>	<b>0</b>	<b>6,997,102</b>
<b>2001-03 Maintenance Level</b>	<b>7,547,634</b>	<b>0</b>	<b>7,547,634</b>
<b>Policy Changes</b>			
1. Pension Changes	-116,913	0	-116,913
2. Audit Team Savings	-1,000	0	-1,000
3. K-4 Class Size/Extended Learning	82,455	0	82,455
<b>Total 2001-03 Biennium</b>	<b>7,512,176</b>	<b>0</b>	<b>7,512,176</b>
Fiscal Year 2002 Total	3,760,826	0	3,760,826
Fiscal Year 2003 Total	3,751,350	0	3,751,350

**Comments:**

1. **Pension Changes** - See note for Program 714 - Public Schools Compensation Adjustments.
2. **Audit Team Savings** - The budget continues funding for nine auditors in the State Auditor's Office to conduct special K-12 audits. These auditors are expected to generate \$1.0 million in savings in this program over the biennium.
3. **K-4 Class Size/Extended Learning** - Funds are provided to continue the class-size and extended learning component of the Better Schools Program that was created by the 2000 Legislature. Rather than continuing this as a separate program, the funds are transferred to the Apportionment Program, and this transfer consolidates multiple funding sources for grade K-4 staffing allocations into one program. These funds provide an additional 2.2 certificated instructional staff per 1,000 full-time equivalent students for class size reduction and extended learning purposes in grades K-4. The additional staff are not considered part of the state's basic education allocation.

\* Please see the 2001 Supplemental Operating Budget Section for additional information.

## Public Schools Compensation Adjustments

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>530,327</b>	<b>0</b>	<b>530,327</b>
2001 Supplemental *	1,583	0	1,583
<b>Total 1999-01 Biennium</b>	<b>531,910</b>	<b>0</b>	<b>531,910</b>
<b>2001-03 Maintenance Level</b>	<b>324,819</b>	<b>0</b>	<b>324,819</b>
<b>Policy Changes</b>			
1. Health Benefit Adjustment	80,635	0	80,635
2. Redirect Better Schools Program	-3,280	0	-3,280
3. Pension Changes	-7,017	0	-7,017
4. K-4 Class Size/Extended Learning	3,283	0	3,283
5. Special Ed Enrollment Maximum	219	0	219
<b>Total 2001-03 Biennium</b>	<b>398,659</b>	<b>0</b>	<b>398,659</b>
Fiscal Year 2002 Total	124,130	0	124,130
Fiscal Year 2003 Total	274,529	0	274,529

**Comments:**

**I-732 Salary Increase:** The sum of \$318.0 million is provided for K-12 state-funded staff cost-of-living increases of 3.7 percent for school year 2001-02 and another increase for the 2002-03 school year to be specified by the 2002 Legislature consistent with the provisions of Initiative 732 (I-732).

1. **Health Benefit Adjustment** - Funds are provided to increase the monthly health benefit allocation per K-12 state-funded full-time equivalent employee from \$425.89 to \$455.27 in the 2001-02 school year and \$493.59 in the 2002-03 school year. This change in rates is consistent with increases provided to state employees.
2. **Redirect Better Schools Program** - The Better Schools Program class-size reduction component is transferred to the Apportionment Program. As a consequence, salary increase funds are not needed in the Better Schools Program. The salary increase for the transferred funds is shown below in the item labeled K-4 Class Size/Extended Learning.
3. **Pension Changes** - The Public Employees' Retirement System (PERS) and School Employees' Retirement System (SERS) employer contributions rate adopted by the Pension Funding Council for the 2001-03 biennium was 3.21 percent, and the Teachers Retirement System (TRS) employer contribution rate was 5.38 percent. Effective July 1, 2001, the PERS employer rate is further reduced to 1.54 percent, and effective September 1, 2001, the SERS employer rate is further reduced to 1.54 percent and the TRS employer rate is further reduced to 2.75 percent. These rates are set in accordance with Chapter 11, Laws of 2001, 2nd sp.s., Partial Veto (ESSB 6167 - State Retirement Systems), which increases the long-term actuarial assumptions for future wage growth and investment returns

and re-establishes the June 30, 2024, deadline for funding all of the liabilities of PERS Plan 1 and TRS Plan 1.

4. **K-4 Class Size/Extended Learning** - A portion of the Better Schools Program class-size reduction funds were transferred to the Apportionment Program. The \$1.9 million reflects the amount necessary to provide cost-of-living adjustments for this item.
5. **Special Ed Enrollment Maximum** - The budget increases the maximum enrollment funded in the Special Education Program. This increase in enrollment increases the amount of funds necessary to implement health benefit increases and cost-of-living adjustments.

\* Please see the 2001 Supplemental Operating Budget Section for additional information.



## Public Schools Pupil Transportation

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>362,265</b>	<b>0</b>	<b>362,265</b>
2001 Supplemental *	2,599	0	2,599
<b>Total 1999-01 Biennium</b>	<b>364,864</b>	<b>0</b>	<b>364,864</b>
<b>2001-03 Maintenance Level</b>	<b>390,071</b>	<b>0</b>	<b>390,071</b>
<b>Policy Changes</b>			
1. Pension Changes	-2,580	0	-2,580
<b>Total 2001-03 Biennium</b>	<b>387,491</b>	<b>0</b>	<b>387,491</b>
Fiscal Year 2002 Total	193,198	0	193,198
Fiscal Year 2003 Total	194,293	0	194,293

**Comments:**

1. **Pension Changes** - See note for Program 714 - Public Schools Compensation Adjustments.

\* Please see the 2001 Supplemental Operating Budget Section for additional information.

**Public Schools  
School Food Services**

(Dollars in Thousands)

	<b>GF-S</b>	<b>Other</b>	<b>Total</b>
<b>1999-01 Expenditure Authority</b>	<b>6,200</b>	<b>291,761</b>	<b>297,961</b>
<b>2001-03 Maintenance Level</b>	<b>6,200</b>	<b>283,187</b>	<b>289,387</b>
<b>Policy Changes</b>			
1. Federal Funds Update	0	7,000	7,000
<b>Total 2001-03 Biennium</b>	<b>6,200</b>	<b>290,187</b>	<b>296,387</b>
Fiscal Year 2002 Total	3,100	144,498	147,598
Fiscal Year 2003 Total	3,100	145,689	148,789

**Comments:**

1. **Federal Funds Update** - Expenditures from federal funds for school breakfast and lunch programs are updated.  
(General Fund-Federal)

## Public Schools Special Education

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>772,493</b>	<b>171,667</b>	<b>944,160</b>
2001 Supplemental *	5,594	4,444	10,038
<b>Total 1999-01 Biennium</b>	<b>778,087</b>	<b>176,111</b>	<b>954,198</b>
<b>2001-03 Maintenance Level</b>	<b>851,111</b>	<b>178,685</b>	<b>1,029,796</b>
<b>Policy Changes</b>			
1. Federal Funds Update	0	77,407	77,407
2. Pension Changes	-12,859	0	-12,859
3. Audit Team Savings	-1,000	0	-1,000
4. Special Ed Enrollment Maximum	2,656	0	2,656
<b>Total 2001-03 Biennium</b>	<b>839,908</b>	<b>256,092</b>	<b>1,096,000</b>
Fiscal Year 2002 Total	419,264	112,780	532,044
Fiscal Year 2003 Total	420,644	143,312	563,956

**Comments:**

1. **Federal Funds Update** - Expected expenditures from federal funds are updated based on revised estimates provided by the Office of the Superintendent of Public Instruction in March 2001. (General Fund-Federal)
2. **Pension Changes** - See note for Program 714 - Public Schools Compensation Adjustments.
3. **Audit Team Savings** - Funding is continued for nine auditors in the State Auditor's Office to conduct special K-12 audits. These auditors are expected to generate \$1.0 million in savings in this program.
4. **Special Ed Enrollment Maximum** - Beginning with the 2002-03 school year, \$4.1 million is provided to increase the maximum percentage of a school district's full time equivalent enrollment funded from the regular special education allocation from the current 12.7 percent to 13.0 percent. The General Fund-State safety net is adjusted downward by \$1.4 million since school districts with special education enrollments in excess of 12.7 percent will not need as much safety net funding as a result of the maximum percent increase. The net increase in funding is \$2.7 million.

\* Please see the 2001 Supplemental Operating Budget Section for additional information.

NOTE: The appropriations act also contains a proviso concerning the definition of special education excess costs that requires the Superintendent of Public Instruction to change reporting requirements for school district special education and apportionment expenditures. The purpose of the change is to reflect that special education students are basic education students first and as a class are entitled to their full basic education allocation.

## Public Schools Traffic Safety Education

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>15,509</b>	<b>0</b>	<b>15,509</b>
2001 Supplemental *	-495	0	-495
<b>Total 1999-01 Biennium</b>	<b>15,014</b>	<b>0</b>	<b>15,014</b>
<b>2001-03 Maintenance Level</b>	<b>14,266</b>	<b>0</b>	<b>14,266</b>
<b>Policy Changes</b>			
1. Traffic Safety Ed Allocation	-8,083	0	-8,083
<b>Total 2001-03 Biennium</b>	<b>6,183</b>	<b>0</b>	<b>6,183</b>
Fiscal Year 2002 Total	3,595	0	3,595
Fiscal Year 2003 Total	2,588	0	2,588

**Comments:**

1. **Traffic Safety Ed Allocation** - The state subsidy of \$137 per student for the Driver Education Program is eliminated beginning with the 2001-02 school year. The subsidy of \$203.97 is continued for driver education students eligible for free and reduced-price lunches.

\* Please see the 2001 Supplemental Operating Budget Section for additional information.

**Public Schools  
Educational Service Districts**

(Dollars in Thousands)

	<b>GF-S</b>	<b>Other</b>	<b>Total</b>
<b>1999-01 Expenditure Authority</b>	<b>9,067</b>	<b>0</b>	<b>9,067</b>
<b>2001-03 Maintenance Level</b>	<b>9,682</b>	<b>0</b>	<b>9,682</b>
<b>Policy Changes</b>			
1. Pension Changes	-146	0	-146
<b>Total 2001-03 Biennium</b>	<b>9,536</b>	<b>0</b>	<b>9,536</b>
Fiscal Year 2002 Total	4,768	0	4,768
Fiscal Year 2003 Total	4,768	0	4,768

**Comments:**

1. **Pension Changes** - See note for Program 714 - Public Schools Compensation Adjustments.

## Public Schools Levy Equalization

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>224,677</b>	<b>0</b>	<b>224,677</b>
2001 Supplemental *	1,993	0	1,993
<b>Total 1999-01 Biennium</b>	<b>226,670</b>	<b>0</b>	<b>226,670</b>
<b>2001-03 Maintenance Level</b>	<b>284,644</b>	<b>0</b>	<b>284,644</b>
<b>Total 2001-03 Biennium</b>	<b>284,644</b>	<b>0</b>	<b>284,644</b>
Fiscal Year 2002 Total	136,315	0	136,315
Fiscal Year 2003 Total	148,329	0	148,329

**Comments:**

No budget changes were recommended which reflect a change in statute or agency policy.

\* Please see the 2001 Supplemental Operating Budget Section for additional information.

## Public Schools Institutional Education

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>38,765</b>	<b>8,548</b>	<b>47,313</b>
2001 Supplemental *	-1,220	0	-1,220
<b>Total 1999-01 Biennium</b>	<b>37,545</b>	<b>8,548</b>	<b>46,093</b>
<b>2001-03 Maintenance Level</b>	<b>38,888</b>	<b>8,548</b>	<b>47,436</b>
<b>Policy Changes</b>			
1. Pension Changes	-640	0	-640
<b>Total 2001-03 Biennium</b>	<b>38,248</b>	<b>8,548</b>	<b>46,796</b>
Fiscal Year 2002 Total	19,133	4,274	23,407
Fiscal Year 2003 Total	19,115	4,274	23,389

**Comments:**

1. **Pension Changes** - See note for Program 714 - Public Schools Compensation Adjustments.

\* Please see the 2001 Supplemental Operating Budget Section for additional information.

**Public Schools**  
**Education of Highly Capable Students**

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>12,269</b>	<b>0</b>	<b>12,269</b>
2001 Supplemental *	-15	0	-15
<b>Total 1999-01 Biennium</b>	<b>12,254</b>	<b>0</b>	<b>12,254</b>
<b>2001-03 Maintenance Level</b>	<b>13,030</b>	<b>0</b>	<b>13,030</b>
<b>Policy Changes</b>			
1. Pension Changes	-190	0	-190
<b>Total 2001-03 Biennium</b>	<b>12,840</b>	<b>0</b>	<b>12,840</b>
Fiscal Year 2002 Total	6,443	0	6,443
Fiscal Year 2003 Total	6,397	0	6,397

**Comments:**

1. **Pension Changes** - See note for Program 714 - Public Schools Compensation Adjustments.

\* Please see the 2001 Supplemental Operating Budget Section for additional information.



**Public Schools**  
**Elementary & Secondary School Improvement**

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>0</b>	<b>285,193</b>	<b>285,193</b>
<b>2001-03 Maintenance Level</b>	<b>0</b>	<b>283,182</b>	<b>283,182</b>
<b>Policy Changes</b>			
1. Federal Funds Update	0	4,984	4,984
<b>Total 2001-03 Biennium</b>	<b>0</b>	<b>288,166</b>	<b>288,166</b>
Fiscal Year 2002 Total	0	142,639	142,639
Fiscal Year 2003 Total	0	145,527	145,527

**Comments:**

1. **Federal Funds Update** - Expected expenditures from federal funds are updated based on revised estimates provided by the Office of the Superintendent of Public Instruction in March 2001. (General Fund-Federal)

## Public Schools Education Reform

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>69,534</b>	<b>233</b>	<b>69,767</b>
2001 Supplemental *	-887	0	-887
<b>Total 1999-01 Biennium</b>	<b>68,647</b>	<b>233</b>	<b>68,880</b>
<b>2001-03 Maintenance Level</b>	<b>62,090</b>	<b>233</b>	<b>62,323</b>
<b>Policy Changes</b>			
1. Scoring of 10th Grade Writing WASL	209	0	209
2. Change Assessment Timeline	-2,301	0	-2,301
3. Reading Corps	7,759	0	7,759
4. Recognizing Successful Schools	100	0	100
5. Expand Math Helping Corps	1,656	0	1,656
6. Focused Assistance to Schools	2,800	0	2,800
7. Principal Leadership Development	1,000	0	1,000
8. Mentor/Beginning Teacher Asst	2,500	0	2,500
9. State Leadership for School Improve	768	0	768
10. Performance Improvement Goals	100	0	100
11. Web-Based Instructional Network	260	0	260
12. Return Writing WASL	93	0	93
13. National Teacher Certif Bonus	241	0	241
14. Discontinue CISL	-1,260	0	-1,260
15. WASL Adjustments	-4,000	3,000	-1,000
16. Transfer CISL Staff	230	0	230
<b>Total 2001-03 Biennium</b>	<b>72,245</b>	<b>3,233</b>	<b>75,478</b>
Fiscal Year 2002 Total	35,882	1,127	37,009
Fiscal Year 2003 Total	36,363	2,106	38,469

**Comments:**

1. **Scoring of 10th Grade Writing WASL** - Funds are provided to double score all the 10th grade writing tests for the Washington Assessment of Student Learning (WASL) to increase the accuracy and validity of individual student test scores. In the past, only a sample percentage of the writing tests were double scored.
2. **Change Assessment Timeline** - Chapter 20, Laws of 2001, 2nd sp.s. (ESB 5686), delays the timelines for development of the WASL tests for social studies, arts, and health and fitness by two years. The delay reduces the amount of funding necessary for WASL test development in the 2001-03 biennium.
3. **Reading Corps** - Funds are provided for Reading Corps grants for schools in which significant numbers of students in grades K-6 do not perform well on reading assessments. The reading programs may be provided before, during, or after the school day, and on Saturdays or during summer, intercessions, or other vacation periods. The grants are to be used for proven, research-based programs provided by mentors or tutors and must include pre- and post-testing to determine the effectiveness of the programs.
4. **Recognizing Successful Schools** - Funds are provided to purchase plaques to recognize schools that successfully met the fourth grade reading improvement goal established by each local school board.
5. **Expand Math Helping Corps** - Funds are provided to expand the Math Helping Corps from \$2 million to \$3.7 million. Preliminary evidence shows a dramatic improvement in the number of students meeting math standards in the initial 13 schools provided with assistance through the Math Helping Corps in the 1999-00 school year. Under the program, exemplary teachers are assigned to help schools identify barriers to student learning and develop and implement an action plan for improving learning. The funding level provided will allow about 32 schools to be provided with expert math teachers each year.
6. **Focused Assistance to Schools** - Funds are provided to the Superintendent of Public Instruction to establish a focused assistance program starting in FY 2003. The Superintendent is required to conduct educational audits of low-performing schools and enter into performance agreements with the school district to implement the recommendations of the audits. Educational audits must include recommendations for best practices and ways to address identified needs.
7. **Principal Leadership Development** - Funds are provided to expand the Principal Leadership Development Program.

## Public Schools Education Reform

Principals participating in the program will establish a growth plan in coordination with an assigned mentor who will monitor and assist the principal in achieving the desired professional growth.

8. **Mentor/Beginning Teacher Asst** - Funding for the Teacher Assistance Program is increased from \$3.4 million per year to \$4.7 million per year. Of the amounts provided, \$200,000 each year may be used for a mentor teacher academy. The funds are allocated for eligible peer mentor programs in school districts based on the number of beginning teachers in each district.
9. **State Leadership for School Improve** - Funding and staff previously allocated to the Center for the Improvement of Student Learning (CISL) are redirected for the Superintendent to assist schools in implementing high academic standards, aligning curriculum with these standards, and training teachers to use assessments to improve student learning. Funds may also be used to increase community and parental awareness of education reform.
10. **Performance Improvement Goals** - Funds are provided for grants to school districts to adopt or revise district-wide and school-level plans to achieve performance improvement goals and to post a summary of the plans on district websites using a common format provided by the Office of the Superintendent of Public Instruction (OSPI).
11. **Web-Based Instructional Network** - Funds are provided for the development and posting of web-based instructional tools, assessment data, and other information that assist schools and teachers in implementing higher academic standards.
12. **Return Writing WASL** - Funds are provided to make the scored writing portion of the WASL available to schools, students, and parents. Each school will also make available information on the criteria used to determine writing scores.
13. **National Teacher Certif Bonus** - Funds are provided to lengthen the national teacher certification bonus from the current two years to three years.
14. **Discontinue CISL** - Funding is eliminated for CISL located in OSPI. The purpose of the Center was to serve as a clearinghouse for information regarding educational improvement and parental involvement programs.
15. **WASL Adjustments** - Various adjustments are made in the budget for the WASL based on the following savings: \$285,000 from reduction in the number of advisory committee members used to develop the WASLs; \$300,000 from separating the question and answer booklets which reduces scoring costs; \$415,000 in efficiency savings and other adjustments; and availability and utilization of at least \$1.0 million of federal funds in FY 2002 and at least \$2.0 million in FY 2003. Including state and federal funds, the

change in assessment timelines and double scoring, WASL funding is increased from \$19.9 million in the 1999-01 biennium to \$25.1 million for the 2001-03 biennium.

16. **Transfer CISL Staff** - The 1.3 FTE staff and \$230,000 previously allocated to CISL are transferred to WASL development.

\* Please see the 2001 Supplemental Operating Budget Section for additional information.

### *Governor's Vetoes:*

The Governor vetoed Section 514(12)(a) of Chapter 7, Laws of 2001, 2nd sp.s., Partial Veto (ESSB 6153), which restricted the payment of salary bonuses to teachers who obtained national board certification prior to the 1999-00 school year.

## Public Schools Transitional Bilingual Instruction

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>73,481</b>	<b>0</b>	<b>73,481</b>
2001 Supplemental *	171	0	171
<b>Total 1999-01 Biennium</b>	<b>73,652</b>	<b>0</b>	<b>73,652</b>
<b>2001-03 Maintenance Level</b>	<b>89,839</b>	<b>0</b>	<b>89,839</b>
<b>Policy Changes</b>			
1. Bilingual Tracking (E2SHB 2025)	70	0	70
2. Pension Changes	-1,694	0	-1,694
<b>Total 2001-03 Biennium</b>	<b>88,215</b>	<b>0</b>	<b>88,215</b>
Fiscal Year 2002 Total	43,044	0	43,044
Fiscal Year 2003 Total	45,171	0	45,171

**Comments:**

1. **Bilingual Tracking (E2SHB 2025)** - Additional funding is provided to the Office of the Superintendent of Public Instruction (OSPI) to contract for tracking the English and academic proficiency of students who are or were in the transitional bilingual program. The purpose of the evaluation and tracking system is to provide information on the effectiveness of transitional bilingual programs in teaching English and other content areas, such as mathematics and writing. In addition, OSPI may withhold up to \$563,000 of the biennial transitional bilingual allocation to school districts by adjusting the per pupil funding rate in order to pay for centralized purchasing and scoring of bilingual assessments. Currently, each school district purchases and pays for the administration and scoring of these assessments.
2. **Pension Changes** - See note for Program 714 - Public Schools Compensation Adjustments.

\* Please see the 2001 Supplemental Operating Budget Section for additional information.

**Public Schools**  
**Learning Assistance Program (LAP)**

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>138,406</b>	<b>0</b>	<b>138,406</b>
2001 Supplemental *	-1,078	0	-1,078
<b>Total 1999-01 Biennium</b>	<b>137,328</b>	<b>0</b>	<b>137,328</b>
<b>2001-03 Maintenance Level</b>	<b>141,235</b>	<b>0</b>	<b>141,235</b>
<b>Policy Changes</b>			
1. Pension Changes	-1,825	0	-1,825
<b>Total 2001-03 Biennium</b>	<b>139,410</b>	<b>0</b>	<b>139,410</b>
Fiscal Year 2002 Total	70,593	0	70,593
Fiscal Year 2003 Total	68,817	0	68,817

**Comments:**

1. **Pension Changes** - See note for Program 714 - Public Schools Compensation Adjustments.

\* Please see the 2001 Supplemental Operating Budget Section for additional information.

## Public Schools Block Grants

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>60,296</b>	<b>0</b>	<b>60,296</b>
2001 Supplemental *	74	0	74
<b>Total 1999-01 Biennium</b>	<b>60,370</b>	<b>0</b>	<b>60,370</b>
<b>2001-03 Maintenance Level</b>	<b>54,666</b>	<b>0</b>	<b>54,666</b>
<b>Policy Changes</b>			
1. Block Grant Reduction	-17,635	0	-17,635
<b>Total 2001-03 Biennium</b>	<b>37,031</b>	<b>0</b>	<b>37,031</b>
Fiscal Year 2002 Total	19,515	0	19,515
Fiscal Year 2003 Total	17,516	0	17,516

**Comments:**

1. **Block Grant Reduction** - The allocation in the Block Grant Program is reduced from \$28.81 per K-12 student to \$18.48 per student. Block grant funds are discretionary funds that can be used by school districts for any educational purpose.

\* Please see the 2001 Supplemental Operating Budget Section for additional information.

## Public Schools Better Schools Program

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>57,500</b>	<b>0</b>	<b>57,500</b>
2001 Supplemental *	-1,404	0	-1,404
<b>Total 1999-01 Biennium</b>	<b>56,096</b>	<b>0</b>	<b>56,096</b>
<b>2001-03 Maintenance Level</b>	<b>131,629</b>	<b>0</b>	<b>131,629</b>
<b>Policy Changes</b>			
1. Redirect Better Schools Program	-82,455	0	-82,455
2. Better Schools Staff Development	-40,178	0	-40,178
<b>Total 2001-03 Biennium</b>	<b>8,996</b>	<b>0</b>	<b>8,996</b>
Fiscal Year 2002 Total	8,996	0	8,996
Fiscal Year 2003 Total	0	0	0

**Comments:**

1. **Redirect Better Schools Program** - The class size reduction portion of the Better Schools Program is transferred to the Apportionment Program.
2. **Better Schools Staff Development** - Funding for the Better Schools Program staff development component created by the 2000 Legislature is not continued.

\* Please see the 2001 Supplemental Operating Budget Section for additional information.

## Public Schools Student Achievement Program

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2001-03 Maintenance Level</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Policy Changes</b>			
1. Increasing Student Achievement	0	393,300	393,300
<b>Total 2001-03 Biennium</b>	<b>0</b>	<b>393,300</b>	<b>393,300</b>
Fiscal Year 2002 Total	0	184,232	184,232
Fiscal Year 2003 Total	0	209,068	209,068

**Comments:**

1. **Increasing Student Achievement** - Initiative 728 requires the lottery revenues, a portion of state property taxes with established dollar per student amounts, and any funds accumulated in the state's Emergency Reserve Fund in excess of 5 percent of annual general fund revenues to be deposited into the newly created Student Achievement Fund and the Education Construction Account.

This budget appropriates \$393.3 million of Student Achievement Fund moneys to be distributed to school districts at a rate of \$193.92 per full time equivalent (FTE) student for the 2001-02 school year and \$220.59 per FTE student for the 2002-03 school year. According to the Initiative, the permissible uses of this money are as follows: smaller classes in grades K-4; smaller classes for certain grade 5-12 classes; extended learning opportunities in grades K-12; professional development for educators; early childhood programs; and building improvements or additions to support class-size reductions or extended learning programs. (Student Achievement Fund)

In addition, \$76.7 million of Education Construction Account moneys are appropriated in the Capital Budget for common school construction.



## Public Schools Common School Construction

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>0</b>	<b>113,612</b>	<b>113,612</b>
2001 Supplemental *	0	-50,535	-50,535
<b>Total 1999-01 Biennium</b>	<b>0</b>	<b>63,077</b>	<b>63,077</b>
<b>2001-03 Maintenance Level</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Policy Changes</b>			
1. Transfer to School Construction	0	191,220	191,220
<b>Total 2001-03 Biennium</b>	<b>0</b>	<b>191,220</b>	<b>191,220</b>
Fiscal Year 2002 Total	0	172,500	172,500
Fiscal Year 2003 Total	0	18,720	18,720

**Comments:**

1. **Transfer to School Construction** - A total of \$36.7 million from the Education Savings Account and \$154.5 million from the Education Construction Account will be deposited to the Common School Construction Account for state matching funds for K-12 school construction projects. (Education Construction Account, Education Savings Account)

\* Please see the 2001 Supplemental Operating Budget Section for additional information.



# Higher Education

## **Enrollment Increases**

The amount of \$31 million from the state general fund is provided to address increasing enrollment demand. Access to public higher education is expanded to accommodate an additional 3,575 full-time equivalent (FTE) student enrollments: 435 enrollments in the baccalaureate institutions and 3,140 enrollments in the community and technical colleges. Included in these totals are 239 new enrollments to expand the supply of college graduates and trainees in computer science, network engineering, software systems, and information technology, 140 of which are earmarked to accelerate the preparation of students with the math and science credits necessary to transfer to a new state technology institution operating at the University of Washington-Tacoma.

## **Other Support for New Enrollments**

Supporting new enrollments, the sum of \$2 million from the state general fund is provided to develop new training programs in rural counties and other communities adversely impacted by job reductions and industry dislocation – particularly due to rapid changes in the price of energy. Another \$1.1 million from the state general fund supports the operation of the North Snohomish, Island, and Skagit (NSIS) higher education consortium. The Jefferson County demonstration project to improve access to post-secondary education for adults living in remote areas is renewed with \$350,000 from the state general fund. Students from migrant and seasonal farm-working families will receive assistance in the transition from high school to college through a new state grant program at the Higher Education Coordinating Board.

## **Applied Research**

The Spokane Intercollegiate Research and Technology Institute receives a direct appropriation of \$3 million from the general fund to support its operations. The University of Washington and Washington State University each receive an additional \$300,000 from the state general fund for faculty research projects to advance the development of new technologies.

## **Compensation**

A cost-of-living adjustment (COLA) of 3.7 percent, effective July 1, 2001, is funded for state-funded higher education employees. Funding is also provided for a second COLA in fiscal year 2003 in an amount to be determined by the 2002 Legislature, consistent with the provisions of Initiative 732 for academic employees and technical college employees. Additionally, the community and technical colleges receive \$7.5 million from the state general fund to address part-time faculty salary disparity and \$3.5 million from the state general fund for increments.

## **Financial Aid**

A total of \$33 million from the state general fund is appropriated to increase student financial aid through State Need Grant, Promise Scholarship, and State Work Study programs. The sum of \$1 million from the state general fund remains in the budget to renew conditional loans to classified K-12 employees seeking to become classroom teachers through a demonstration project at the Higher Education Coordinating Board.

## **Tuition Policy**

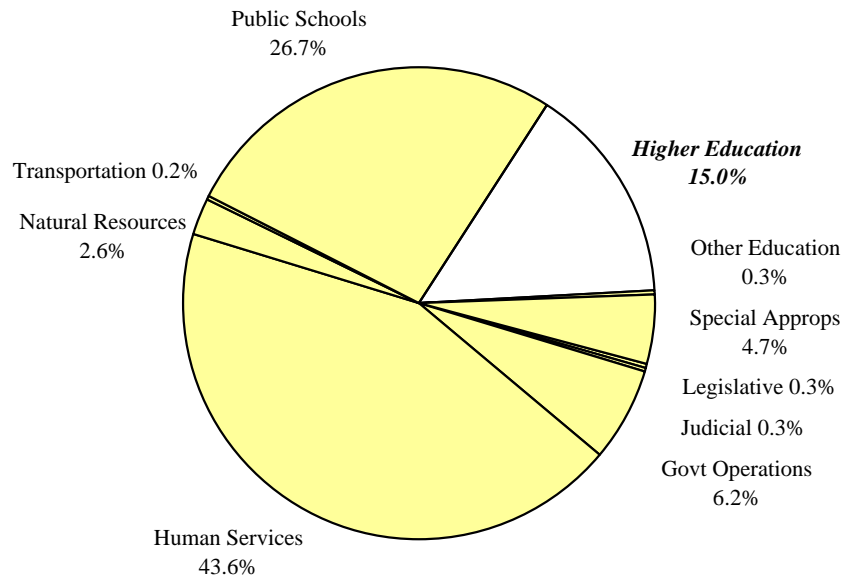
Governing boards of each institution and the State Board for Community and Technical Colleges are granted authority to increase tuition rates with caps set by the Legislature in the budget act. For undergraduate and most graduate students, the maximum increase for academic year 2001-02 is 6.7 percent and for academic year 2002-03 is 6.1 percent. Tuition fees for law and graduate business programs may not increase more than 12 percent a year except at the University of Washington where the maximum increase for graduate business programs is 15 percent for academic year 2001-02 and 20 percent for academic year 2002-03. For adult basic education classes, the Legislature intends that a minimum of \$5.00 a credit hour be charged except for students of limited income. The Governor vetoed this fee directive. Continuing the policy of the prior biennium, tuition rates may vary based on “off hour” educational

Governor vetoed this fee directive. Continuing the policy of the prior biennium, tuition rates may vary based on “off hour” educational services – courses offered in the evening or on weekend, for distance education, or on different campuses – to encourage full use of state educational facilities and resources.

**2001-03 Washington State Operating Budget**  
**Total Budgeted Funds**  
(Dollars in Thousands)

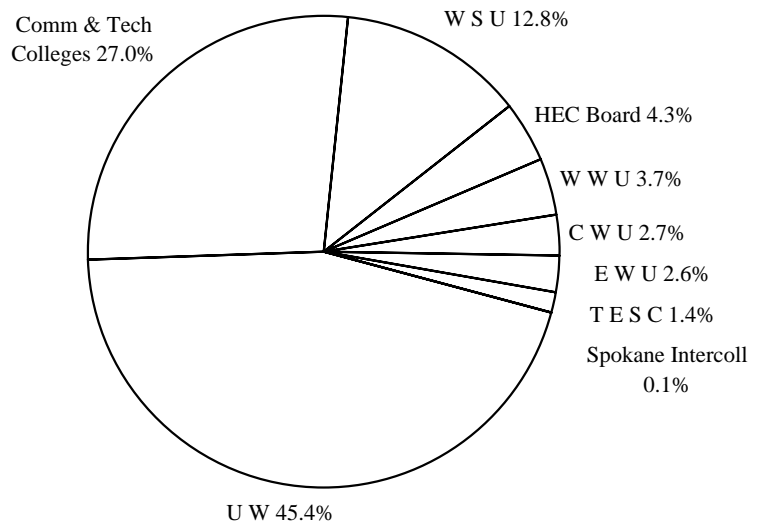
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Legislative	139,285
Judicial	141,697
Governmental Operations	2,707,559
Human Services	18,911,595
Natural Resources	1,123,648
Transportation	104,494
Public Schools	11,571,857
<b>Higher Education</b>	<b>6,502,726</b>
Other Education	116,415
Special Appropriations	2,036,571
<b>Statewide Total</b>	<b>43,355,847</b>



**Washington State**

Univ of Washington	2,952,973
Community/Tech Colleges	1,755,794
Washington State Univ	833,510
Higher Ed Coord Bd	279,692
Western Washington Univ	240,406
Central Washington Univ	178,717
Eastern Washington Univ	166,402
The Evergreen State Coll	90,905
Spokane Intercol	4,327
<b>Higher Education</b>	<b>6,502,726</b>

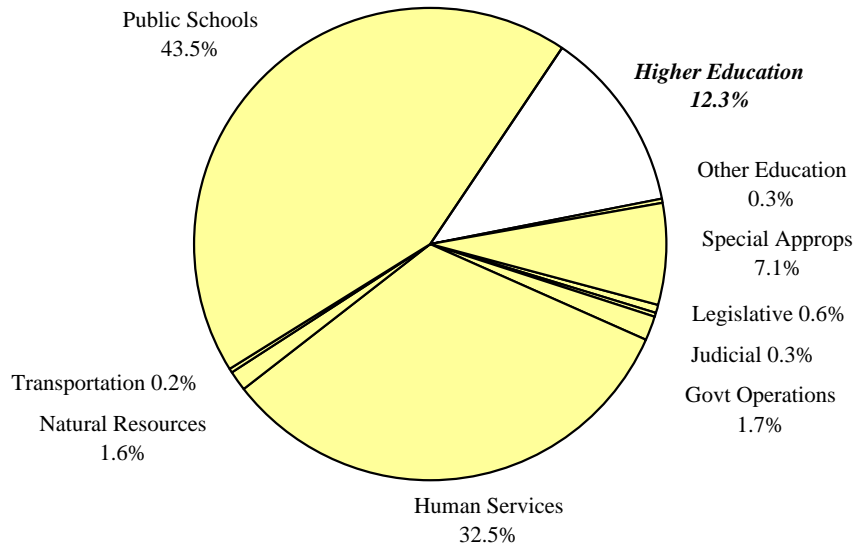


**Higher Education**

**2001-03 Washington State Operating Budget**  
**General Fund-State**  
(Dollars in Thousands)

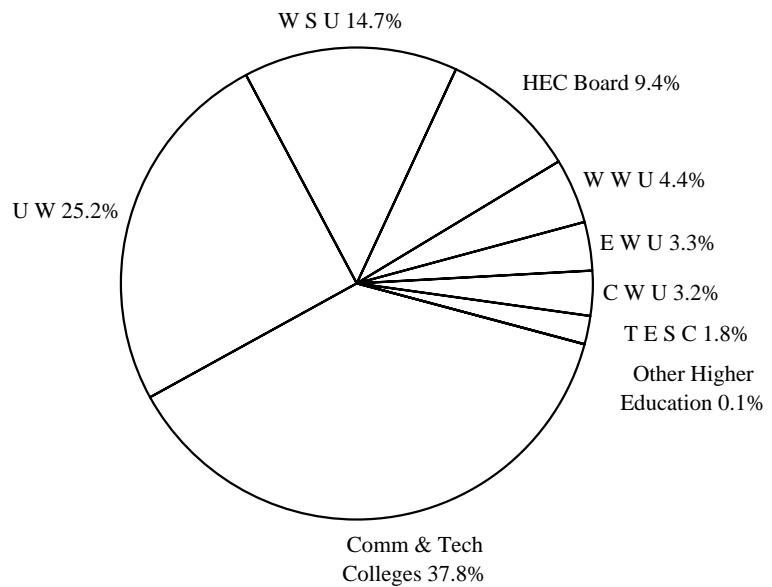
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Legislative	133,124
Judicial	71,679
Governmental Operations	392,304
Human Services	7,415,303
Natural Resources	355,477
Transportation	40,722
Public Schools	9,903,086
<b>Higher Education</b>	<b>2,800,460</b>
Other Education	59,988
Special Appropriations	1,611,095
<b>Statewide Total</b>	<b>22,783,238</b>



**Washington State**

Community/Tech Colleges	1,058,130
Univ of Washington	707,088
Washington State Univ	411,355
Higher Ed Coord Bd	264,603
Western Washington Univ	122,636
Eastern Washington Univ	92,914
Central Washington Univ	89,140
The Evergreen State Coll	51,594
Other Higher Education	3,000
<b>Higher Education</b>	<b>2,800,460</b>



**Higher Education**

**Higher Education**  
**FTE Student Enrollment History**  
By Academic Year

	Actual Enrollment <sup>(1)</sup>							Budgeted	
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>
<b>Community &amp; Technical Colleges</b>	<b>113,609</b>	<b>118,075</b>	<b>118,653</b>	<b>117,925</b>	<b>121,302</b>	<b>125,131</b>	<b>128,093</b>	<b>125,082</b>	<b>126,902</b>
General Enrollment <sup>(2)</sup>	113,609	109,907	111,129	110,808	114,885	117,623	120,830	117,852	119,672
Dislocated Workers <sup>(2)</sup>	0	8,168	7,524	7,117	6,417	7,508	7,263	7,200	7,200
Two-plus-Two <sup>(3)</sup>	0	0	0	0	0	0	0	30	30
<b>Four-Year Schools</b>	<b>77,305</b>	<b>77,977</b>	<b>79,435</b>	<b>80,458</b>	<b>81,814</b>	<b>82,734</b>	<b>84,784</b>	<b>84,523</b>	<b>85,290</b>
University of Washington	31,493	31,811	32,858	33,398	33,592	34,058	34,966	34,820	35,146
Washington State University	18,007	18,425	18,594	18,584	19,148	18,983	19,473	19,570	19,694
Eastern Washington University	7,605	7,364	6,945	6,907	7,244	7,712	8,081	7,933	8,017
Central Washington University	7,337	7,339	7,448	7,474	7,471	7,463	7,287	7,470	7,470
The Evergreen State College	3,377	3,387	3,489	3,728	3,822	3,697	3,786	3,754	3,837
Western Washington University	9,486	9,651	10,101	10,367	10,537	10,821	11,191	10,976	11,126
HECB Timber Workers <sup>(4)</sup>	104	118	139	148	177	45	48	0	0
<b>Total Higher Education</b>	<b>191,018</b>	<b>196,170</b>	<b>198,227</b>	<b>198,531</b>	<b>203,293</b>	<b>207,910</b>	<b>212,925</b>	<b>209,605</b>	<b>212,192</b>

(1) Actual enrollments were greater than budgeted levels in these years. Institutions are permitted to enroll over budgeted levels and to support the additional student FTEs with tuition and fees.

(2) General Enrollment includes technical college and Distressed Economic Community program enrollments. For 1994-95, actual enrollment includes dislocated worker FTEs funded through the Employment and Training Trust Fund. Since 1997-98, the Community and Technical College System has been authorized to enroll up to 7,200 FTEs in the Dislocated Workers Program.

(3) Specific funding has been provided since 2000-01 for Olympic Community College to facilitate the delivery of upper division courses by accredited, four-year guest institutions for 30 FTE students. Because the supporting funds do not generate lower division enrollment, there are no actual FTEs to report for the two-year college system.

(4) Actual Timber Worker enrollments reported for 1994-95, 1995-96, 1996-97, 1997-98 and 1998-99 include Pullman extended degree students.

Data Sources:

Community and Technical College data from the State Board for Community and Technical Colleges.

Four Year Schools data from the Higher Education Enrollment Report (HEER) from the OFM Forecasting Division.

HECB Timber Worker data from the Higher Education Coordinating Board (HECB).

**Higher Education**  
**Budgeted Enrollment Increases**  
By Academic Year

	FTE Student Enrollment				
	Budgeted Level 2000-2001	Increase for 2001-2002	Total Budgeted 2001-2002	Increase for 2002-03	Total Budgeted 2002-2003
<b>Community &amp; Technical Colleges</b>	<b>123,762</b>	<b>1,320</b>	<b>125,082</b>	<b>1,820</b>	<b>126,902</b>
General Enrollments	116,032	1,820	117,852	1,820	119,672
Dislocated Workers <sup>(1)</sup>	7,200	0	7,200	0	7,200
Timber Workers	500	-500	0	0	0
Two-plus-Two	30	0	30	0	30
<b>Four-Year Schools</b>	<b>84,855</b>	<b>-332</b>	<b>84,523</b>	<b>767</b>	<b>85,290</b>
University of Washington	34,688	132	34,820	326	35,146
Seattle <sup>(2)</sup>	32,266	55	32,321	106	32,427
Bothell <sup>(2)</sup>	1,136	33	1,169	66	1,235
Tacoma <sup>(2)</sup>	1,286	44	1,330	154	1,484
Washington State University	19,847	-277	19,570	124	19,694
Main	17,609	-277	17,332	0	17,332
Spokane <sup>(2)</sup>	551	0	551	42	593
Tri-Cities	616	0	616	0	616
Vancouver <sup>(2)</sup>	1,071	0	1,071	82	1,153
Eastern Washington University	7,864	69	7,933	84	8,017
Central Washington University	7,867	-397	7,470	0	7,470
The Evergreen State College	3,713	41	3,754	83	3,837
Western Washington University	10,826	150	10,976	150	11,126
HECB Timber Workers	50	-50	0	0	0
<b>Total Higher Education</b>	<b>208,617</b>	<b>988</b>	<b>209,605</b>	<b>2,587</b>	<b>212,192</b>

(1) The State Board for Community and Technical Colleges is authorized to enroll up to 7,200 FTEs in the Dislocated Workers Program.

(2) Subject to reporting requirements, the research universities may reallocate up to 10 percent of newly budgeted FTEs to a campus other than that designated by lawmakers to focus on high demand areas.



## 2001-2003 New Tuition and Services and Activities Fee Authority\*

	Current Rate 2000-2001	Maximum New Rate 2001-2002	Maximum New Rate 2002-2003
<b>Research Universities</b>			
Resident Undergraduate	3,650	3,898	4,132
Resident Graduate - Business (UW)	5,642	6,490	7,786
Resident Graduate - Business (WSU)	5,642	6,319	7,078
Resident Graduate - All Other	5,642	6,022	6,388
Resident Law	6,099	6,834	7,657
Resident MD/DDS/DVM	9,338	9,963	10,570
Nonresident Undergraduate	11,456	12,225	12,970
Nonresident Graduate - Business (UW)	14,018	16,119	19,342
Nonresident Graduate - Business (WSU)	14,018	15,703	17,590
Nonresident Graduate - All Other	14,018	14,955	15,868
Nonresident Law	15,207	17,034	19,081
Nonresident MD/DDS/DVM	23,462	25,035	26,560
<b>Regional Universities</b>			
Resident Undergraduate	2,831	3,019	3,204
Resident Graduate - Business	4,532	5,075	5,683
Resident Graduate - All Other	4,532	4,834	5,130
Nonresident Undergraduate	9,966	10,634	11,284
Nonresident Graduate - Business	13,674	15,315	17,153
Nonresident Graduate - All Other	13,674	14,591	15,841
<b>Community &amp; Technical Colleges</b>			
Resident Undergraduate	1,641	1,751	1,861
Nonresident Undergraduate	6,459	6,893	7,315

\* These are average tuition and fees rates by sector; individual institutions may vary slightly from these averages.

### Notes:

The budget grants institutions' governing boards the flexibility to increase tuition rates up to certain limits set out in section 601 of the act. The tuition and fee levels above illustrate the maximum amounts that could be set by institutions. For most students, tuition fees may increase by a maximum of 6.7 percent in academic year 2001-02 and 6.1 percent in academic year 2002-03. Higher increases are possible for law and graduate business programs. Institutions may adopt tuition rate increases that vary by student category. Institutions may also adjust tuition rates based upon time of day, day of week, delivery method, or campus.

Services and activities (S&A) fees included in the figures above are estimated at the highest levels permissible under tuition statutes. S&A fees are set by institutions' governing boards, and they may be increased from one year to the next by a percentage not to exceed the annual percentage increase in student tuition fees for any tuition category. If the institution has dedicated a portion of the S&A fees to repay bonded debt, then that portion of the S&A fees may not be increased.

## Community & Technical College System

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>945,968</b>	<b>563,378</b>	<b>1,509,346</b>
2001 Supplemental *	700	0	700
<b>Total 1999-01 Biennium</b>	<b>946,668</b>	<b>563,378</b>	<b>1,510,046</b>
<b>2001-03 Maintenance Level</b>	<b>1,015,103</b>	<b>659,709</b>	<b>1,674,812</b>
<b>Policy Changes</b>			
1. Health Benefit Changes	11,098	0	11,098
2. On-Line Campus	0	4,500	4,500
3. General Inflation	-4,474	0	-4,474
4. Community Development Program	2,000	0	2,000
5. Staff and Administrator Salaries	17,114	0	17,114
6. Enrollment Increase	23,957	6,365	30,322
7. Pipeline for Technology Institute	966	249	1,215
8. Pension Savings/Economic Assumption	-5,894	0	-5,894
9. FICA Savings	-869	0	-869
10. Fees to Support Adult Basic Ed	-3,000	6,000	3,000
11. Tuition Rate Increase	0	26,841	26,841
12. Reprogram Timber Worker Enrollment	-2,882	0	-2,882
13. Part-Time Faculty Salary Increase	7,500	0	7,500
14. Faculty Increments	3,500	0	3,500
15. Operating Cost Reductions	-5,989	0	-5,989
16. Governor Veto	0	-6,000	-6,000
<b>Total 2001-03 Biennium</b>	<b>1,058,130</b>	<b>697,664</b>	<b>1,755,794</b>
Fiscal Year 2002 Total	514,399	343,461	857,860
Fiscal Year 2003 Total	543,731	354,203	897,934

### Comments:

1. **Health Benefit Changes** - The monthly employer contribution rate is increased from \$436.16 in FY 2001 to \$457.29 in FY 2002 and \$497.69 in FY 2003. Additional details are provided in Agency 713 - State Employee Compensation Adjustments.
2. **On-Line Campus** - One-time funding is provided to enhance the distance learning project. An on-line student service center will expand access to courses and programs among all college campuses. Help desk service will be available to students 24 hours a day, seven days a week. (Education Savings Account-State)
3. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
4. **Community Development Program** - Funding is provided for community and technical college training programs in rural counties and other communities impacted by business closures and job reductions, particularly those brought about due to the energy crisis.
5. **Staff and Administrator Salaries** - A cost-of-living adjustment (COLA) of 3.7 percent, effective July 1, 2001, is funded for state-funded administrators and classified employees of community colleges. Funds are also available sufficient to fund a 2.6 percent increase effective July 1, 2002, but the adoption of a specific salary increase is left to the 2002 Legislature. General fund-state funding is also provided for one-half of the cost of increases for positions assumed to be funded from tuition revenues.
6. **Enrollment Increase** - Funding is provided for 3,500 new full-time equivalent (FTE) students during the 2001-03 biennium. New enrollment is supported by the state at an average rate of \$4,565. (General Fund-State, Institutions of Higher Education-Operating Fees Account-Non-Appropriated)
7. **Pipeline for Technology Institute** - Funding is provided to recruit, enroll, and prepare 140 FTE associate degree students for transfer to the State Technology Institute in Tacoma from college districts located in Grays Harbor, King, Kitsap, Lewis, Pierce, and Thurston counties. (General Fund-State, Institutions of Higher Education-Operating Fees Account-Non-Appropriated)

## Community & Technical College System

8. **Pension Savings/Economic Assumption** - The Public Employees' Retirement System employer contribution rate is reduced to 1.54 percent effective July 1, 2001, and the Teachers' Retirement System employer contribution rate is reduced to 2.75 percent, effective September 1, 2001. For more details, see Agency 713 - State Employee Compensation Adjustments.
9. **FICA Savings** - The budget reduces the level of higher education institutions' allocations for health insurance rate increases to recognize the school FICA (social security) savings from payment of employee premiums on a pre-tax basis. The funding rate is reduced by \$3.00 per month for FY 2002, and by \$4.00 for FY 2003, to reflect the school savings resulting from the increase in average employee premiums from \$28 per month in 2001, to \$52 in 2002, and to \$58 in 2003.
10. **Fees to Support Adult Basic Ed** - Adult basic education courses help Washington residents achieve 8th grade level competency in basic reading, writing, math, and social studies. Courses are offered in English as a Second Language, preparation for citizenship, and preparation for taking the General Education Development exam. The Governor vetoed section 603(12) that called for a minimum fee of \$5 per credit hour and asked the Board to review, deliberate, and make a policy recommendation. This veto action does not change the underlying general fund budget for reasons further explained in the Operating Cost Reductions item.
11. **Tuition Rate Increase** - This tuition revenue estimate is presented for informational purposes only. It reflects new local revenue that could be available to maintain or improve instructional programs as determined by each college should the State Board, on behalf of the system, decide to raise tuition fee charges to the maximum allowable increase of 6.7 percent for academic year 2001-02 and 6.1 percent for academic year 2002-03. (Institutions of Higher Education-Operating Fees Account-Non-Appropriated)
12. **Reprogram Timber Worker Enrollment** - Program funds previously held for timber workers are redirected for college training programs offered in rural counties and those communities where rapidly rising energy costs have resulted in permanent job dislocation. Reflecting this budget policy shift, two-year enrollments for timber and other natural resource industry labor are reduced by 500 FTE students. Such workers will continue to be served by the state's \$57 million education and training program for unemployed workers and stand to benefit from U.S. Department of Labor grants that help Washington retrain those losing their jobs due to declining federal timber harvests.
13. **Part-Time Faculty Salary Increase** - Funding is provided to increase the statewide, average compensation of part-time instructors at state community colleges. The Board may decide how best to allocate this sum among all 34 districts to achieve the Legislature's objective. Annually, the Board will report on the outcome of collective bargaining that materially impacts progress to close the gap between full-time and part-time equivalent salaries on both a system and district basis. Such information is to be provided to the fiscal and higher education committees of the Legislature by December 1st of each fiscal year.
14. **Faculty Increments** - Funding is provided for incremental salary adjustments for faculty. General fund appropriations may be used in combination with turnover savings for this purpose.
15. **Operating Cost Reductions** - The budget assumes a reduction of 2 percent of non-instruction program costs. For the system of community and technical colleges, a smaller general fund reduction was taken to account for legislative assumptions as to the financing of adult basic education during the 2001-03 biennium. The Governor's veto of section 603(12) has the effect of bringing the requirements for operating cost reductions by colleges back up to the 2 percent level.
16. **Governor Veto** - The Governor vetoed Section 603(12) of Chapter 7, Laws of 2001, 2nd sp.s., Partial Veto (ESSB 6153), which called for a minimum \$5 per credit hour charge to enroll in adult basic education classes. The Legislature assumed it would share with colleges the benefit of \$6 million in additional, local revenue that herein lapses. (Institutions of Higher Education-Operating Fees Account-Non-Appropriated)

\* Please see the 2001 Supplemental Operating Budget Section for additional information.

# University of Washington

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>651,947</b>	<b>2,060,095</b>	<b>2,712,042</b>
<b>2001-03 Maintenance Level</b>	<b>674,309</b>	<b>2,214,996</b>	<b>2,889,305</b>
<b>Policy Changes</b>			
1. Health Benefit Changes	6,700	78	6,778
2. General Inflation	-4,579	-93	-4,672
3. Faculty and Staff Salary Increase	28,833	298	29,131
4. Enrollment Increase	5,910	2,722	8,632
5. Technology Institute	4,000	0	4,000
6. Pension Savings/Economic Assumption	-2,138	-36	-2,174
7. FICA Savings	-524	-6	-530
8. Survey Cause of Multiple Sclerosis	50	0	50
9. Tuition Rate Increase	0	26,823	26,823
10. Urban Horticulture Center	0	1,103	1,103
11. Advanced Technology Initiative	300	0	300
12. Operating Cost Reductions	-5,773	0	-5,773
<b>Total 2001-03 Biennium</b>	<b>707,088</b>	<b>2,245,885</b>	<b>2,952,973</b>
Fiscal Year 2002 Total	345,974	1,099,769	1,445,743
Fiscal Year 2003 Total	361,114	1,146,116	1,507,230

**Comments:**

- Health Benefit Changes** - The monthly employer contribution rate is increased from \$436.16 in FY 2001 to \$457.29 in FY 2002 and \$497.69 in FY 2003. Additional details are provided in Agency 713 - State Employee Compensation Adjustments. (General Fund-State, Accident Account, Medical Aid Account, Death Investigations Account)
- General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- Faculty and Staff Salary Increase** - A cost-of-living adjustment (COLA) of 3.7 percent, effective July 1, 2001, is funded for state-funded faculty and classified employees. Funds are also available sufficient to fund a 2.6 percent increase effective July 1, 2002, but the adoption of a specific salary increase is left to the 2002 Legislature. General fund state funding is also provided for one-half of the cost of increases for positions assumed to be funded from tuition revenues. (General Fund-State, Accident Account, Medical Aid Account, Death Investigations Account)
- Enrollment Increase** - Funds are provided to expand the main and branch campuses by a total of 458 full-time equivalent (FTE) students in 2001-03. New access budgeted for Seattle is 161 FTE students, for Bothell 99 FTE students and for Tacoma 198 FTE students, of which not less than 99 shall be allocated for degree programs offered by the new State Technology Institute. Flexibility is granted to redirect up to 10 percent of the new (not base) enrollments from one campus to another in order to respond to high-demand areas. The Office of Financial Management and the Legislature must be notified of this action as a supplement to quarterly institution enrollment reports. The budget assumes the mix of new students will be 209 FTE graduates, and 249 FTE undergraduates, of which 224 will seek upper-division level coursework. The result for the University of Washington (UW) is enrollment support from the state that averages \$10,017 per student. (General Fund-State, Institutions of Higher Education-Operating Fees Account-Non-Appropriated)
- Technology Institute** - Operating support is provided for a State Technology Institute operating from the university's Tacoma branch campus. The budget includes state enrollment money for 99 new undergraduate or graduate technology students during the 2001-03 biennium. Additional resources have been appropriated to the State Board (see Agency 699) so regional community and technical colleges can recruit and prepare 140 FTE associate degree students for transfer to the Institute starting in the 2002-03 academic year. The state's total investment is \$8.3 million which reflects tuition and general funds for academic instruction and supporting services, as well as \$2 million in capital funds to leverage private gifts received by the UW and to construct and equip computer language labs for public two-year college partners.
- Pension Savings/Economic Assumption** - The Public Employees' Retirement System employer contribution rate is reduced to 1.54 percent effective July 1, 2001, and the Teachers' Retirement System employer contribution rate is reduced to 2.75 percent, effective September 1, 2001. For more details, see Agency 713 - State Employee Compensation Adjustments. (General Fund-State, Accident

## University of Washington

Account, Medical Aid Account, Death Investigations Account)

7. **FICA Savings** - The budget reduces the level of higher education institutions' allocations for health insurance rate increases to recognize the school FICA (social security) savings from payment of employee premiums on a pre-tax basis. The funding rate is reduced by \$3.00 per month for FY 2002, and by \$4.00 for FY 2003, to reflect the school savings resulting from the increase in average employee premiums from \$28 per month in 2001, to \$52 in 2002, and to \$58 in 2003. (General Fund-State, Accident Account, Medical Aid Account)
8. **Survey Cause of Multiple Sclerosis** - Funding is provided for the School of Medicine to conduct a survey that examines characteristics, factors, and probable causes for the high incidence of multiple sclerosis cases in Washington State.
9. **Tuition Rate Increase** - This tuition revenue estimate is presented for informational purposes only. It reflects new local revenue that could be available to maintain or improve instructional programs as determined by the University should its governing board choose to raise tuition fee charges for resident undergraduate and most graduate students by the maximum allowable increase of 6.7 percent for academic year 2001-02 and 6.1 percent for academic year 2002-03. While authority has been granted to raise tuition for law programs by a maximum of 12.0 percent a year and for graduate business programs by a maximum of 15.0 percent and 20.0 percent respectively for the first and second academic years of 2001-03, such additional, local revenue capacity is neither assumed nor displayed here. (Institutions of Higher Education-Operating Fees Account-Non-Appropriated)
10. **Urban Horticulture Center** - Funding is provided for expenses related to reconstruction and repair of the Urban Horticulture Center at Merrill Hall. Additional cash to support this appropriation results from action taken in the budget (see section 731) to redirect enrollment support provisoed, and not expected to be earned, by UW branch campuses for the current academic year that otherwise would lapse to the Education Savings Account come June 30, 2001. (University of Washington Building Account-State)
11. **Advanced Technology Initiative** - Funding is provided to support further applied technology projects at the UW. The University plans to apply this money to support faculty research in photonics, distributed diagnostics for home health care, structural and computational neuroscience, as well as construction science and education.
12. **Operating Cost Reductions** - The budget assumes a reduction of 2 percent of non-instruction program costs.

# Washington State University

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>379,970</b>	<b>409,217</b>	<b>789,187</b>
<b>2001-03 Maintenance Level</b>	<b>398,872</b>	<b>409,428</b>	<b>808,300</b>
<b>Policy Changes</b>			
1. Health Benefit Changes	3,775	0	3,775
2. General Inflation	-2,108	0	-2,108
3. Faculty and Staff Salary Increase	17,553	0	17,553
4. Enrollment Increase	1,230	504	1,734
5. Rebase for Pullman	-1,567	-1,928	-3,495
6. Pension Savings/Economic Assumption	-1,710	0	-1,710
7. FICA Savings	-295	0	-295
8. Tuition Rate Increase	0	14,151	14,151
9. Advanced Technology Initiative	300	0	300
10. Operating Cost Reductions	-4,695	0	-4,695
<b>Total 2001-03 Biennium</b>	<b>411,355</b>	<b>422,155</b>	<b>833,510</b>
Fiscal Year 2002 Total	201,416	207,976	409,392
Fiscal Year 2003 Total	209,939	214,179	424,118

## Comments:

1. **Health Benefit Changes** - The monthly employer contribution rate is increased from \$436.16 in FY 2001 to \$457.29 in FY 2002 and \$497.69 in FY 2003. Additional details are provided in Agency 713 - State Employee Compensation Adjustments.
2. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
3. **Faculty and Staff Salary Increase** - A cost-of-living adjustment (COLA) of 3.7 percent, effective July 1, 2001, is funded for state-funded faculty and classified employees. Funds are also available sufficient to fund a 2.6 percent increase effective July 1, 2002, but the adoption of a specific salary increase is left to the 2002 Legislature. General fund-state funding is also provided for one-half of the cost of increases for positions assumed to be funded from tuition revenues.
4. **Enrollment Increase** - Funds are provided to expand branch campus enrollment by a total of 124 full-time equivalent (FTE) students during the 2001-03 biennium. New access beginning in FY 2003 is designated for Vancouver at 82 FTE students and Spokane at 42 FTE students. Flexibility is granted to redirect up to 10 percent of the new (not base) enrollments from one campus to another in order to respond to high-demand areas as those become apparent. The Office of Financial Management and the Legislature must be notified of this action as a supplement to quarterly institution enrollment reports. The budget assumes the mix of new students will be 46 FTE graduate and 78 FTE undergraduates all of whom will seek upper-division level coursework. The result for Washington State University (WSU) is enrollment support from the state that averages \$9,919 per student. (General Fund-State, Institutions of Higher Education-Operating Fees Account-Non-Appropriated)
5. **Rebase for Pullman** - The University's base funding is partially reduced to reflect 277 less FTE students at the Pullman campus this academic year. This adjustment brings budgeted enrollments for the main campus down from 17,609 to 17,332 FTE students as WSU does not expect student growth as assumed in the 1999 biennial budget. The University retains a portion of the general fund savings (\$951,000 of \$2.5 million) which may be applied at local discretion to meet current instruction and student-related expenses or to help finance the start-up of new degree offerings next biennium. (General Fund-State, Institutions of Higher Education-Operating Fees Account-Non-Appropriated)
6. **Pension Savings/Economic Assumption** - The Public Employees' Retirement System employer contribution rate is reduced to 1.54 percent effective July 1, 2001, and the Teachers' Retirement System employer contribution rate is reduced to 2.75 percent, effective September 1, 2001. For more details, see Agency 713 - State Employee Compensation Adjustments.
7. **FICA Savings** - The budget reduces the level of higher education institutions' allocations for health insurance rate increases to recognize the school FICA (social security) savings from payment of employee premiums on a pre-tax basis. The funding rate is reduced by \$3.00 per month for FY 2002, and by \$4.00 for FY 2003, to reflect the school savings resulting from the increase in average employee premiums from \$28 per month in 2001, to \$52 in 2002, and to \$58 in 2003.

## Washington State University

8. **Tuition Rate Increase** - This tuition revenue estimate is presented for informational purposes only. It reflects new local revenue that could be available to maintain or improve instructional programs as determined by the University should its governing board choose to raise tuition fee charges for resident undergraduate and most graduate students by the maximum allowable increase of 6.7 percent for academic year 2001-02 and 6.1 percent for academic year 2002-03. While authority has been granted to raise tuition for graduate business programs by a maximum of 12.0 percent a year, such additional, local revenue capacity is neither assumed nor displayed here. (Institutions of Higher Education-Operating Fees Account-Non-Appropriated)
9. **Advanced Technology Initiative** - Funds are provided to support further applied technology projects at WSU. The University plans to apply this money to support faculty research in the genomics of reproduction, agriculture, and forestry genomics, as well as advanced wood composites.
10. **Operating Cost Reductions** - The budget assumes a reduction of 2 percent of non-instruction program costs.

# Eastern Washington University

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>85,539</b>	<b>67,930</b>	<b>153,469</b>
<b>2001-03 Maintenance Level</b>	<b>88,855</b>	<b>68,892</b>	<b>157,747</b>
<b>Policy Changes</b>			
1. Health Benefit Changes	966	0	966
2. General Inflation	-697	0	-697
3. Faculty and Staff Salary Increase	3,903	0	3,903
4. Enrollment Increase	1,133	600	1,733
5. Pension Savings/Economic Assumption	-419	0	-419
6. FICA Savings	-75	0	-75
7. Tuition Rate Increase	0	3,996	3,996
8. Operating Cost Reductions	-752	0	-752
<b>Total 2001-03 Biennium</b>	<b>92,914</b>	<b>73,488</b>	<b>166,402</b>
Fiscal Year 2002 Total	45,532	35,973	81,505
Fiscal Year 2003 Total	47,382	37,515	84,897

**Comments:**

- Health Benefit Changes** - The monthly employer contribution rate is increased from \$436.16 in FY 2001 to \$457.29 in FY 2002 and \$497.69 in FY 2003. Additional details are provided in Agency 713 - State Employee Compensation Adjustments.
- General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- Faculty and Staff Salary Increase** - A cost-of-living adjustment (COLA) of 3.7 percent, effective July 1, 2001, is funded for state-funded faculty and classified employees. Funds are also available sufficient to fund a 2.6 percent increase effective July 1, 2002, but the adoption of a specific salary increase is left to the 2002 Legislature. General fund-state funding is also provided for one-half of the cost of increases for positions assumed to be funded from tuition revenues.
- Enrollment Increase** - Funding is provided for 153 new full-time equivalent (FTE) students during the 2001-03 biennium. The budget assumes that all of the new access is at the undergraduate level. The result for Eastern is new enrollment funding from the state that averages \$5,106 per FTE student. (General Fund-State, Institutions of Higher Education-Operating Fees Account-Non-Appropriated)
- Pension Savings/Economic Assumption** - The Public Employees' Retirement System employer contribution rate is reduced to 1.54 percent effective July 1, 2001, and the Teachers' Retirement System employer contribution rate is reduced to 2.75 percent, effective September 1, 2001. For more details, see Agency 713 - State Employee Compensation Adjustments.
- FICA Savings** - The budget reduces the level of higher education institutions' allocations for health insurance rate increases to recognize the school FICA (social security) savings from payment of employee premiums on a pre-tax basis. The funding rate is reduced by \$3.00 per month for FY 2002, and by \$4.00 for FY 2003, to reflect the school savings resulting from the increase in average employee premiums from \$28 per month in 2001, to \$52 in 2002, and to \$58 in 2003.
- Tuition Rate Increase** - This tuition revenue estimate is presented for informational purposes only. It reflects new local revenue that could be available to maintain or improve instructional programs as determined by the University should its governing board choose to raise tuition fee charges for undergraduate and most graduate students by the maximum allowable increase of 6.7 percent for academic year 2001-02 and 6.1 percent for academic year 2002-03. While authority has been granted to raise tuition for graduate level business programs by 12.0 percent a year, such additional, local revenue capacity is not assumed or displayed here. (Institutions of Higher Education-Operating Fees Account-Non-Appropriated)
- Operating Cost Reductions** - The budget assumes a reduction of 2 percent of non-instruction program costs.



# Central Washington University

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>86,786</b>	<b>69,173</b>	<b>155,959</b>
<b>2001-03 Maintenance Level</b>	<b>87,346</b>	<b>86,912</b>	<b>174,258</b>
<b>Policy Changes</b>			
1. Health Benefit Changes	1,049	0	1,049
2. General Inflation	-250	-339	-589
3. Faculty and Staff Salary Increase	3,864	0	3,864
4. Enrollment Adjustment	-1,926	-1,046	-2,972
5. Pension Savings/Economic Assumption	-476	0	-476
6. FICA Savings	-82	0	-82
7. Tuition Rate Increase	0	4,050	4,050
8. Operating Cost Reductions	-1,085	0	-1,085
9. Institution Development	700	0	700
<b>Total 2001-03 Biennium</b>	<b>89,140</b>	<b>89,577</b>	<b>178,717</b>
Fiscal Year 2002 Total	44,164	44,119	88,283
Fiscal Year 2003 Total	44,976	45,458	90,434

**Comments:**

- Health Benefit Changes** - The monthly employer contribution rate is increased from \$436.16 in FY 2001 to \$457.29 in FY 2002 and \$497.69 in FY 2003. Additional details are provided in Agency 713 - State Employee Compensation Adjustments.
- General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- Faculty and Staff Salary Increase** - A cost-of-living adjustment (COLA) of 3.7 percent, effective July 1, 2001, is funded for state-funded faculty and classified employees. Funds are also available sufficient to fund a 2.6 percent increase effective July 1, 2002, but the adoption of a specific salary increase is left to the 2002 Legislature. General fund-state funding is also provided for one-half of the cost of increases for positions assumed to be funded from tuition revenues.
- Enrollment Adjustment** - Funds are withdrawn, lowering state expectations for students at Central going into the 2001-03 biennium. Actions to bring budgeted enrollments down from 7,867 FTE students are accomplished in the state budget by two actions. First, the University's current services' (maintenance) budget is reduced by \$1.85 million for growth of 197 FTE students expected this academic year that did not materialize. Second, Central herein returns another \$1.9 million for 200 more FTE students. Taken together, the enrollment adjustment of 397 FTE students leaves Central with state general fund support for 7,470 FTE students for the 2001-03 biennium. (General Fund-State, Institutions of Higher Education-Operating Fees Account-Non-Appropriated)
- Pension Savings/Economic Assumption** - The Public Employees' Retirement System employer contribution rate is reduced to 1.54 percent effective July 1, 2001, and the Teachers' Retirement System employer contribution rate is reduced to 2.75 percent, effective September 1, 2001. For more details, see Agency 713 - State Employee Compensation Adjustments.
- FICA Savings** - The budget reduces the level of higher education institutions' allocations for health insurance rate increases to recognize the school FICA (social security) savings from payment of employee premiums on a pre-tax basis. The funding rate is reduced by \$3.00 per month for FY 2002, and by \$4.00 for FY 2003, to reflect the school savings resulting from the increase in average employee premiums from \$28 per month in 2001, to \$52 in 2002, and to \$58 in 2003.
- Tuition Rate Increase** - This tuition revenue estimate is presented for informational purposes only. It reflects new local revenue that could be available to maintain or improve instructional programs as determined by the University should its governing board choose to raise tuition fee charges for undergraduate and most graduate students by the maximum allowable increase of 6.7 percent for academic year 2001-02 and 6.1 percent for academic year 2002-03. While authority has been granted to raise tuition for graduate level business programs by 12.0 percent a year, such additional, local revenue capacity is not assumed or displayed here. (Institutions of Higher Education-Operating Fees Account-Non-Appropriated)
- Operating Cost Reductions** - The budget assumes a reduction of 2 percent of non-instruction program costs.

## Central Washington University

9. **Institution Development** - One-time funding is provided for the University to begin development and implementation of a plan to stabilize enrollments.

# The Evergreen State College

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>47,147</b>	<b>35,031</b>	<b>82,178</b>
<b>2001-03 Maintenance Level</b>	<b>48,693</b>	<b>35,682</b>	<b>84,375</b>
<b>Policy Changes</b>			
1. Health Benefit Changes	567	0	567
2. General Inflation	-316	0	-316
3. WSIPP Learning Assistance	60	0	60
4. WSIPP Drug-Affected Infants	65	0	65
5. WSIPP Alternate Teacher Certificate	44	0	44
6. WSIPP Relative Caregivers	50	0	50
7. WSIPP School for the Deaf	50	0	50
8. WSIPP College as Welfare Work	30	0	30
9. WSIPP Health Care Studies	150	0	150
10. WSIPP Juvenile Crime Prevention	100	0	100
11. Faculty and Staff Salary Increase	2,332	0	2,332
12. Enrollment Increase	673	713	1,386
13. Pension Savings/Economic Assumption	-262	0	-262
14. FICA Savings	-44	0	-44
15. Tuition Rate Increase	0	2,916	2,916
16. Operating Cost Reductions	-598	0	-598
<b>Total 2001-03 Biennium</b>	<b>51,594</b>	<b>39,311</b>	<b>90,905</b>
Fiscal Year 2002 Total	25,334	18,990	44,324
Fiscal Year 2003 Total	26,260	20,321	46,581

## Comments:

- Health Benefit Changes** - The monthly employer contribution rate is increased from \$436.16 in FY 2001 to \$457.29 in FY 2002 and \$497.69 in FY 2003. Additional details are provided in Agency 713 - State Employee Compensation Adjustments.
- General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- WSIPP Learning Assistance** - The Washington State Institute for Public Policy (WSIPP) will examine options for revising the state's funding formula for the Learning Assistance Program to enhance accountability for school performance in meeting education reform goals. A report will be submitted to the Legislature by June 30, 2002.
- WSIPP Drug-Affected Infants** - WSIPP will evaluate state pilot efforts involving women giving birth to drug-affected infants. A report will be submitted to the Legislature by November 15, 2002.
- WSIPP Alternate Teacher Certificate** - WSIPP will evaluate partnership grant programs for alternative teacher certification pursuant to Chapter 158, Laws of 2001 (E2SSB 5695 - Creating Alternative Routes to Teacher Certification). An interim report will be submitted to the Legislature by December 1, 2002, with a final report by December 1, 2004.
- WSIPP Relative Caregivers** - WSIPP will examine the prevalence and needs of families who are raising related children. The study shall compare services and policies of Washington State with other states that have a higher rate of kinship care placements in lieu of foster care placements. The study shall identify possible changes in services and policies that are likely to increase appropriate kinship care placements. A report will be submitted to the Legislature by June 1, 2002.
- WSIPP School for the Deaf** - WSIPP will examine a variety of educational service delivery models for the benefit of students at the State School for the Deaf. A report, in conjunction with the capacity planning study provided by the Joint Legislative Audit and Review Committee, will be submitted by September 30, 2002.
- WSIPP College as Welfare Work** - WSIPP will examine the policies, program structure, and recent experience in states where welfare recipients may attend college full time as their required Temporary Assistance to Needy Families work activity. The study shall recommend how Washington could add such a feature in a targeted, cost-neutral manner that would complement the present-day WorkFirst efforts and caseload. A report will be submitted to the Legislature by November 15, 2001.
- WSIPP Health Care Studies** - WSIPP will conduct research and evaluate strategies for constraining the growth in state health care expenditures.

## The Evergreen State College

10. **WSIPP Juvenile Crime Prevention** - WSIPP will conduct a comprehensive review of the costs and benefits of existing juvenile crime prevention and intervention programs. This evaluation shall also consider what changes could result in more cost-effective and efficient funding for juvenile crime prevention and intervention programs presently supported with state funds. A report will be submitted to the Legislature by October 1, 2002.
11. **Faculty and Staff Salary Increase** - A cost-of-living adjustment (COLA) of 3.7 percent, effective July 1, 2001, is funded for state-funded faculty and classified employees. Funds are also available sufficient to fund a 2.6 percent increase effective July 1, 2002, but the adoption of a specific salary increase is left to the 2002 Legislature. General fund-state funding is also provided for one-half of the cost of increases for positions assumed to be funded from tuition revenues.
12. **Enrollment Increase** - Funding is provided for 124 new full-time equivalent (FTE) students during the 2001-03 biennium. The budget assumes that the mix of new students is 99 FTE undergraduate and 25 FTE graduate students. The result for Evergreen is new enrollment funding from the state that averages \$4,079 per student, a figure that also reflects a greater proportion of students drawn to and enrolling from communities outside of Washington State. (General Fund-State, Institutions of Higher Education-Operating Fees Account-Non-Appropriated)
13. **Pension Savings/Economic Assumption** - The Public Employees' Retirement System employer contribution rate is reduced to 1.54 percent effective July 1, 2001, and the Teachers' Retirement System employer contribution rate is reduced to 2.75 percent, effective September 1, 2001. For more details, see Agency 713 - State Employee Compensation Adjustments.
14. **FICA Savings** - The budget reduces the level of higher education institutions' allocations for health insurance rate increases to recognize the school FICA (social security) savings from payment of employee premiums on a pre-tax basis. The funding rate is reduced by \$3.00 per month for FY 2002, and by \$4.00 for FY 2003, to reflect the school savings resulting from the increase in average employee premiums from \$28 per month in 2001, to \$52 in 2002, and to \$58 in 2003.
15. **Tuition Rate Increase** - This tuition revenue estimate is presented for informational purposes only. It reflects new local revenue that could be available to maintain or improve instructional programs as determined by the College should its governing board choose to raise tuition fee charges for undergraduate and most graduate students by the maximum allowable increase of 6.7 percent for academic year 2001-02 and 6.1 percent for academic year 2002-03. (Institutions of Higher Education-Operating Fees Account-Non-Appropriated)
16. **Operating Cost Reductions** - The budget assumes a reduction of 2 percent of non-instruction program costs.

# Western Washington University

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>109,807</b>	<b>109,865</b>	<b>219,672</b>
<b>2001-03 Maintenance Level</b>	<b>114,823</b>	<b>111,083</b>	<b>225,906</b>
<b>Policy Changes</b>			
1. Health Benefit Changes	1,188	0	1,188
2. General Inflation	-581	0	-581
3. Faculty and Staff Salary Increase	5,397	0	5,397
4. Enrollment Increase	2,378	1,402	3,780
5. Higher Education Consortium	1,145	0	1,145
6. Pension Savings/Economic Assumption	-595	0	-595
7. FICA Savings	-93	0	-93
8. Tuition Rate Increase	0	5,285	5,285
9. Operating Cost Reductions	-1,026	0	-1,026
<b>Total 2001-03 Biennium</b>	<b>122,636</b>	<b>117,770</b>	<b>240,406</b>
Fiscal Year 2002 Total	59,755	57,761	117,516
Fiscal Year 2003 Total	62,881	60,009	122,890

**Comments:**

- Health Benefit Changes** - The monthly employer contribution rate is increased from \$436.16 in FY 2001 to \$457.29 in FY 2002 and \$497.69 in FY 2003. Additional details are provided in Agency 713 - State Employee Compensation Adjustments.
- General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- Faculty and Staff Salary Increase** - A cost-of-living adjustment (COLA) of 3.7 percent, effective July 1, 2001, is funded for state-funded faculty and classified employees. Funds are also available sufficient to fund a 2.6 percent increase effective July 1, 2002, but the adoption of a specific salary increase is left to the 2002 Legislature. General fund-state funding is also provided for one-half of the cost of increases for positions assumed to be funded from tuition revenues.
- Enrollment Increase** - Funding is provided for 300 new full-time equivalent (FTE) students during the 2001-03 biennium. The budget assumes that the mix of new students will be 30 FTE graduate and 120 FTE undergraduate each year. The result for Western is new enrollment funding from the state that averages \$5,284 per FTE student. (General Fund-State, Institutions of Higher Education-Operating Fees Account-Non-Appropriated)
- Higher Education Consortium** - Western Washington University is the fiscal agent for the seven-institution North Snohomish, Island, Skagit (NSIS) Consortium. Additional support is provided for operating expenses in 2001-03 including leased office and teaching space. Program staff will be added to provide student services, and technical staff will be added to support interactive television classrooms and computer labs.
- Pension Savings/Economic Assumption** - The Public Employees' Retirement System employer contribution rate is reduced to 1.54 percent effective July 1, 2001, and the Teachers' Retirement System employer contribution rate is reduced to 2.75 percent, effective September 1, 2001. For more details, see Agency 713 - State Employee Compensation Adjustments.
- FICA Savings** - The budget reduces the level of higher education institutions' allocations for health insurance rate increases to recognize the school FICA (social security) savings from payment of employee premiums on a pre-tax basis. The funding rate is reduced by \$3.00 per month for FY 2002, and by \$4.00 for FY 2003, to reflect the school savings resulting from the increase in average employee premiums from \$28 per month in 2001, to \$52 in 2002, and to \$58 in 2003.
- Tuition Rate Increase** - This tuition revenue estimate is presented for informational purposes only. It reflects new local revenue that could be available to maintain or improve instructional programs as determined by the University should its governing board choose to raise tuition fee charges for undergraduate and most graduate students by the maximum allowable increase of 6.7 percent for academic year 2001-02 and 6.1 percent for academic year 2002-03. While authority has been granted to raise tuition for graduate level business programs by 12.0 percent a year, such additional, local revenue capacity is not assumed or displayed here. (Institutions of Higher Education-Operating Fees Account-Non-Appropriated)
- Operating Cost Reductions** - The budget assumes a reduction of 2 percent of non-instruction program costs.

## Higher Education Coordinating Board

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>240,637</b>	<b>10,198</b>	<b>250,835</b>
<b>2001-03 Maintenance Level</b>	<b>233,788</b>	<b>15,089</b>	<b>248,877</b>
<b>Policy Changes</b>			
1. General Inflation	-35	0	-35
2. Fund for Innovation	-600	0	-600
3. Washington State Work Study	3,000	0	3,000
4. Jefferson County Pilot Project	350	0	350
5. College Assistance Migrant Program	50	0	50
6. State Need Grant Increase	18,880	0	18,880
7. State Need Grant Adjustment	-1,039	0	-1,039
8. Eliminate Educator Excellence Award	-431	0	-431
9. Reprogram Timber Worker Enrollment	-560	0	-560
10. Promise Scholarships	11,200	0	11,200
<b>Total 2001-03 Biennium</b>	<b>264,603</b>	<b>15,089</b>	<b>279,692</b>
Fiscal Year 2002 Total	125,990	7,246	133,236
Fiscal Year 2003 Total	138,613	7,843	146,456

### Comments:

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
2. **Fund for Innovation** - General fund constraints do not permit this grant program to be renewed for the 2001-03 biennium.
3. **Washington State Work Study** - Funding is provided to expand both the opportunity for work study from 9,500 to 10,300 students a year and to increase the state share of earning levels from an average of \$1,675 to \$1,735 a year.
4. **Jefferson County Pilot Project** - Funding is provided to continue a demonstration project whose outcomes will clarify necessary elements to increase participation and access to higher education for placebound adult learners living in remote regions miles away from post-secondary institutions. Active educational partners now include the Washington State University Extension Service, Peninsula College, Port Townsend community leaders, and business owners. One full-time outreach coordinator is supported by project funds and next biennium, a portion will be applied to establish a distance-learning computer lab in Brinnon in a public school facility.
5. **College Assistance Migrant Program** - College assistance funds are herein provided solely for the benefit of migrant and seasonal farmworkers and their children. The Board shall disperse state general funds equally to all federal College Assistance Migrant Programs (CAMP) operating in Washington State during the 2001-03 biennium. In order to distribute funds in a timely manner, the Board may establish a date after which no additional grants would be made for the 2001-02 and 2002-03 academic years. CAMPs supplement traditional financial aid by offering students support during their transition from high school to college. Support typically includes one-on-one mentoring for career development.
6. **State Need Grant Increase** - Funding is provided for new enrollments and to keep pace with tuition increases state universities and colleges may adopt under limits proposed for undergraduate study during the 2001-03 biennium. Additional resources budgeted by the state assume the effective income cutoff for need grants is 55 percent of the state's median family income. Within available funds, the Board may renew need grants for continuing or returning students who qualified at higher income levels during the 1999-00 and 2000-01 academic years so long as the student is making satisfactory progress toward his or her degree. Increased appropriations for the program benefits approximately 3,700 more students next biennium.
7. **State Need Grant Adjustment** - This adjustment brings base funding down to 55 percent median family income, taking into account authorized tuition increases at public universities and colleges for the 2001-03 biennium.
8. **Eliminate Educator Excellence Award** - General fund constraints result in the elimination of state appropriations for Christa McAuliffe excellence awards. Awards are bestowed by the Office of the Superintendent of Public Instruction (OSPI) to recognize outstanding public educators for their commitment, contributions, and leadership. Originally, a tuition grant was provided through the Higher Education Coordinating Board for the teacher's professional development or a school-based improvement. The program changed over time, and now those honored receive cash stipends which range from \$1,000 to \$2,500 per recipient. Each year, five teachers and three classified staff from each

## Higher Education Coordinating Board

congressional district, five principals or administrators on a statewide basis, one school district superintendent, and one school district board of directors are chosen for recognition. The budget assumes OSPI, through savings incentive credits, internal reallocation, or by soliciting a private donor, can make it possible for the suspended grants to resume in some future year.

9. **Reprogram Timber Worker Enrollment** - Program funds previously held for timber workers are redirected for college training programs offered in rural counties and those communities where rapidly rising energy costs have resulted in permanent job dislocation through the State Board for Community and Technical Colleges (also see Agency 699). University level enrollments for timber and other natural resource industry labor are reduced by 50 full-time equivalent students.
10. **Promise Scholarships** - Funding is provided to continue the Washington Promise Scholarship Program. The budget provides a total of \$17 million, \$5.8 million of which carries forward in the base to cover the sophomore-year grant to eligible scholars from the Class of 2000. Scholarships may be newly awarded to seniors in the top 15 percent of their respective high school class for 2001 and 2002 (including students who qualify academically on the basis of ACT or SAT scores) and whose families earn no more than 135 percent of the state's median family income. The Board will determine actual annual awards in order to serve the greatest number of qualified students. Cash grants are not to exceed state community college tuition. Promise scholars may apply this award toward expenses to attend any public or private college or university located in Washington.

## Spokane Intercollegiate Research & Technology Inst

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>0</b>	<b>2,659</b>	<b>2,659</b>
<b>2001-03 Maintenance Level</b>	<b>0</b>	<b>1,327</b>	<b>1,327</b>
<b>Policy Changes</b>			
1. Agency Operating Funds	3,000	0	3,000
<b>Total 2001-03 Biennium</b>	<b>3,000</b>	<b>1,327</b>	<b>4,327</b>
Fiscal Year 2002 Total	1,500	771	2,271
Fiscal Year 2003 Total	1,500	556	2,056

**Comments:**

1. **Agency Operating Funds** - Operating funds are budgeted directly to the Spokane Intercollegiate Research and Technology Institute instead of through the Department of Community, Trade, and Economic Development. State support provided for the 2001-03 biennium is 90 percent of current level. General fund constraints mean the Institute will have to adjust operating expenses to balance to available funds, seek private grants, and pursue those ventures and development efforts which enable the agency to generate revenue locally so as to become more self-supporting in future years.



## Other Education

### **Arts Commission**

The amount of \$500,000 is provided to increase grants for arts programs at the local level and improve access to the arts for all residents in Washington.

### **Washington State Historical Society**

In preparation for the Lewis and Clark Trail Bicentennial in 2004, \$375,000 is provided for the Washington State Historical Society to work with local communities, tribal governments, neighboring states, and the National Bicentennial Council to plan local events and community education programs. Ongoing funding of \$325,000 is provided to the State Parks and Recreation Commission for additional full-time equivalent staff for the Lewis and Clark Interpretive Center at Fort Canby.

Through the capital budget, \$1 million will be distributed to local and tribal governments for interpretive projects identified by the Lewis and Clark Bicentennial Advisory Committee under the auspices of the Washington State Historical Society. Fort Canby and Sacagawea State Parks will each receive \$1 million through the State Parks and Recreation Commission to renovate facilities and enhance exhibits at their respective Lewis and Clark Trail interpretive centers.

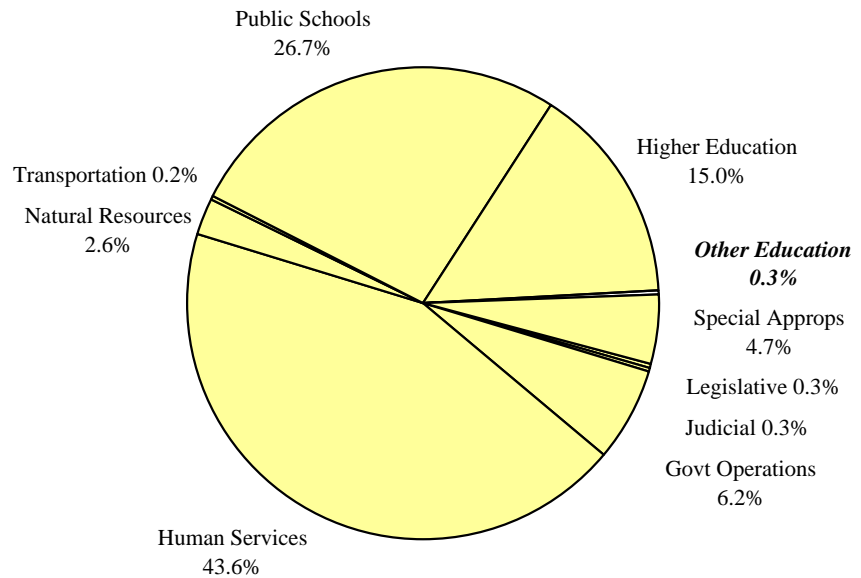
### **Eastern Washington State Historical Society**

The budget provides \$447,000 for a staff increase for the Northwest Museum of Arts and Culture (formerly the Cheney Cowles Museum) expansion slated for completion in late 2001. The additional staff will help the Eastern Washington State Historical Society enhance and expand exhibits, display more of the museum's permanent collections, feature regional and national collections, and offer more interactive learning environments.

**2001-03 Washington State Operating Budget**  
**Total Budgeted Funds**  
(Dollars in Thousands)

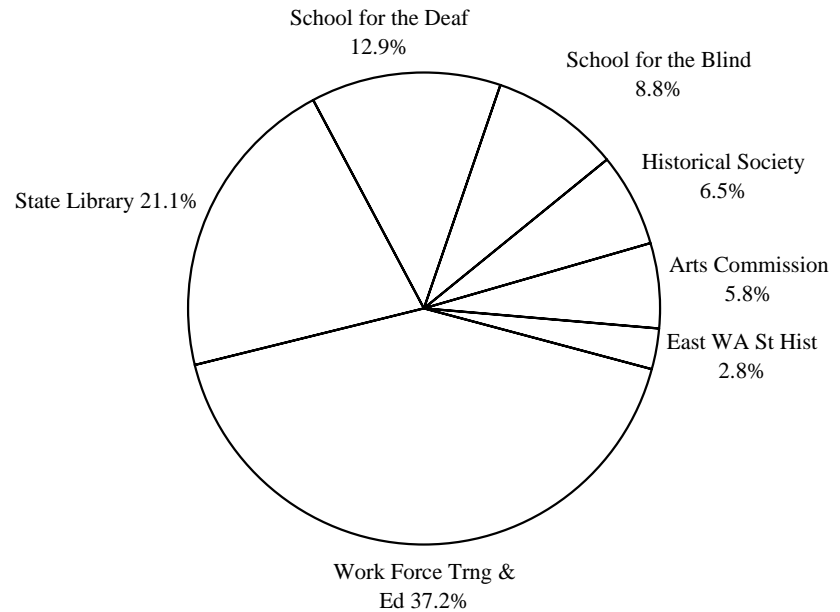
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Legislative	139,285
Judicial	141,697
Governmental Operations	2,707,559
Human Services	18,911,595
Natural Resources	1,123,648
Transportation	104,494
Public Schools	11,571,857
Higher Education	6,502,726
<b>Other Education</b>	<b>116,415</b>
Special Appropriations	2,036,571
<b>Statewide Total</b>	<b>43,355,847</b>



**Washington State**

Work Force Trng & Ed	48,968
State Library	24,553
School for the Deaf	15,066
School for the Blind	10,284
State Hist Society	7,588
State Arts Comm	6,747
East WA State Hist Society	3,209
<b>Other Education</b>	<b>116,415</b>

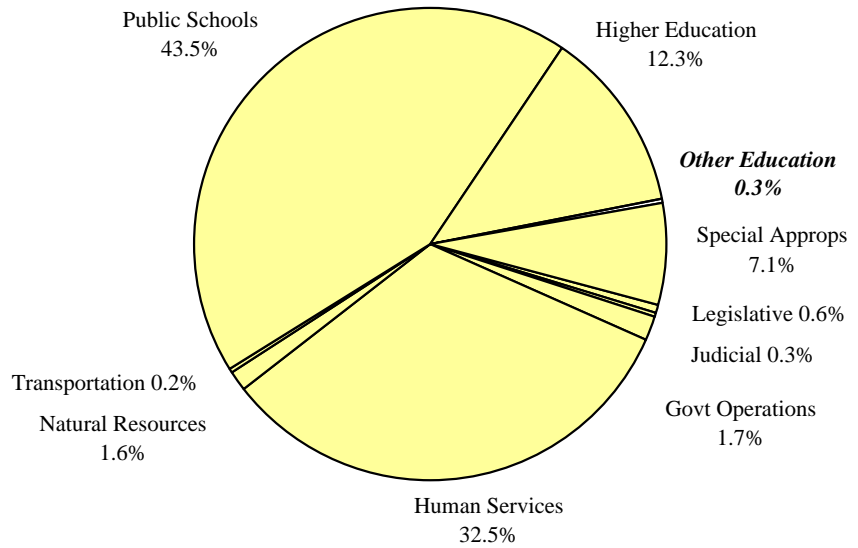


**Other Education**

**2001-03 Washington State Operating Budget**  
**General Fund-State**  
(Dollars in Thousands)

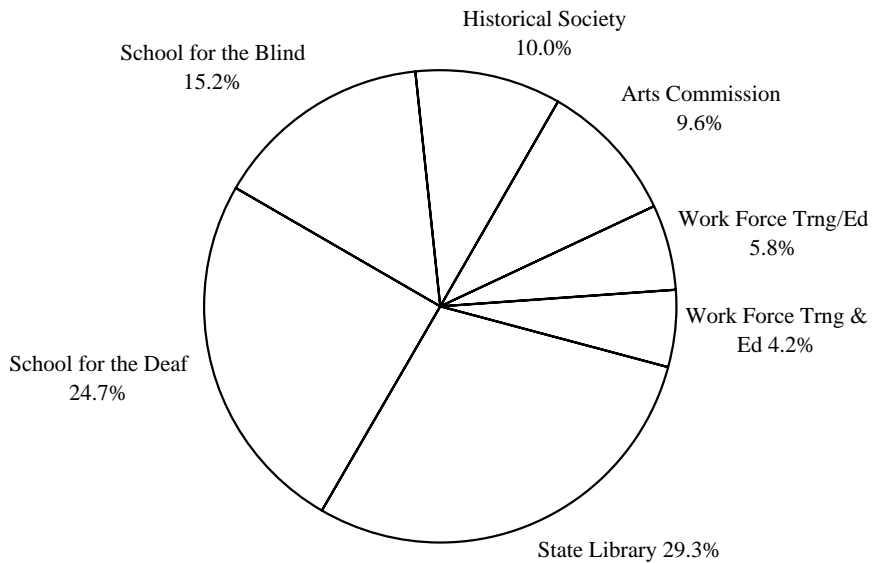
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Legislative	133,124
Judicial	71,679
Governmental Operations	392,304
Human Services	7,415,303
Natural Resources	355,477
Transportation	40,722
Public Schools	9,903,086
Higher Education	2,800,460
<b>Other Education</b>	<b>59,988</b>
Special Appropriations	1,611,095
<b>Statewide Total</b>	<b>22,783,238</b>



**Washington State**

State Library	17,577
School for the Deaf	14,834
School for the Blind	9,111
State Hist Society	6,028
State Arts Comm	5,747
Work Force Trng & Ed	3,482
East WA State Hist Society	3,209
<b>Other Education</b>	<b>59,988</b>



**Other Education**

## Work Force Training & Education Coordinating Board

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>2,847</b>	<b>34,904</b>	<b>37,751</b>
<b>2001-03 Maintenance Level</b>	<b>2,489</b>	<b>45,499</b>	<b>47,988</b>
<b>Policy Changes</b>			
1. General Inflation	-7	-13	-20
2. Inland NW Technology Educ Ctr	1,000	0	1,000
<b>Total 2001-03 Biennium</b>	<b>3,482</b>	<b>45,486</b>	<b>48,968</b>
Fiscal Year 2002 Total	1,762	23,388	25,150
Fiscal Year 2003 Total	1,720	22,098	23,818

**Comments:**

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
2. **Inland NW Technology Educ Ctr** - Funding is provided for operations and development of the Inland Northwest Technology Education Center (INTEC), a public-private partnership between regional business leaders and area post-secondary institutions to coordinate and target short-term education and job-specific training. This consortium grew out of the Skills Grant Project, a 1999 initiative of the Workforce Training and Education Coordinating Board. The Board will serve as an advisor and fiscal agent for this new consortium, reporting back to the Legislature and Governor by September 2002 as to the progress and future steps for INTEC as it evolves.

**State Library**

(Dollars in Thousands)

	<b>GF-S</b>	<b>Other</b>	<b>Total</b>
<b>1999-01 Expenditure Authority</b>	<b>16,718</b>	<b>8,859</b>	<b>25,577</b>
<b>2001-03 Maintenance Level</b>	<b>18,273</b>	<b>7,020</b>	<b>25,293</b>
<b>Policy Changes</b>			
1. Administrative Budget Reduction	-548	0	-548
2. General Inflation	-148	-44	-192
<b>Total 2001-03 Biennium</b>	<b>17,577</b>	<b>6,976</b>	<b>24,553</b>
Fiscal Year 2002 Total	8,791	3,980	12,771
Fiscal Year 2003 Total	8,786	2,996	11,782

**Comments:**

1. **Administrative Budget Reduction** - The State Library will reduce its administrative budget by 3 percent of Maintenance Level.
2. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)

## Washington State Arts Commission

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>4,876</b>	<b>1,045</b>	<b>5,921</b>
<b>2001-03 Maintenance Level</b>	<b>5,350</b>	<b>1,000</b>	<b>6,350</b>
<b>Policy Changes</b>			
1. General Inflation	-103	0	-103
2. Art Program Support	500	0	500
<b>Total 2001-03 Biennium</b>	<b>5,747</b>	<b>1,000</b>	<b>6,747</b>
Fiscal Year 2002 Total	2,873	404	3,277
Fiscal Year 2003 Total	2,874	596	3,470

**Comments:**

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
2. **Art Program Support** - Funding is provided for additional grants in the Art in Communities and Arts in Education programs.

# Washington State Historical Society

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>5,652</b>	<b>1,533</b>	<b>7,185</b>
<b>2001-03 Maintenance Level</b>	<b>5,688</b>	<b>1,575</b>	<b>7,263</b>
<b>Policy Changes</b>			
1. General Inflation	-35	-15	-50
2. Lewis & Clark Bicentennial	375	0	375
<b>Total 2001-03 Biennium</b>	<b>6,028</b>	<b>1,560</b>	<b>7,588</b>
Fiscal Year 2002 Total	2,899	771	3,670
Fiscal Year 2003 Total	3,129	789	3,918

**Comments:**

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
2. **Lewis & Clark Bicentennial** - One-time funding is provided to the Historical Society to work with local communities, tribal governments, neighboring states, and the national bicentennial council to plan local events and community education programs in preparation for the 2004 bicentennial celebration of the Lewis and Clark Trail.

# Eastern Washington State Historical Society

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>2,520</b>	<b>0</b>	<b>2,520</b>
<b>2001-03 Maintenance Level</b>	<b>2,777</b>	<b>0</b>	<b>2,777</b>
<b>Policy Changes</b>			
1. General Inflation	-15	0	-15
2. Increase Community Partnerships	447	0	447
<b>Total 2001-03 Biennium</b>	<b>3,209</b>	<b>0</b>	<b>3,209</b>
Fiscal Year 2002 Total	1,674	0	1,674
Fiscal Year 2003 Total	1,535	0	1,535

**Comments:**

- General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- Increase Community Partnerships** - Funding is provided for five new staff members to improve services to visitors and researchers at the newly-expanded Cheney Cowles Museum. The museum staff will increase partnerships with the community to enhance and expand exhibits, display more of the museum's permanent collections, feature regional and national collections, and offer more interactive learning environments.



## State School for the Blind

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>8,209</b>	<b>644</b>	<b>8,853</b>
<b>2001-03 Maintenance Level</b>	<b>8,963</b>	<b>644</b>	<b>9,607</b>
<b>Policy Changes</b>			
1. School Safety Officer	10	0	10
2. K-12 Cost of Living Adjustment	119	0	119
3. General Inflation	-43	0	-43
4. Regional Outreach Program	62	229	291
5. Digital Classroom/Accessible Media	0	300	300
<b>Total 2001-03 Biennium</b>	<b>9,111</b>	<b>1,173</b>	<b>10,284</b>
Fiscal Year 2002 Total	4,520	586	5,106
Fiscal Year 2003 Total	4,591	587	5,178

**Comments:**

1. **School Safety Officer** - One-time funding is provided for a Safety Resource Officer to assist the school in developing guidelines and procedures to maintain a safe campus. This funding will be used as a match for the federal Safety Resource Officer Program funding.
 

programs to help teachers provide services to blind and visually impaired children, in response to the shortage of trained teachers of the blind. (General Fund-Private/Local)
2. **K-12 Cost of Living Adjustment** - Funding is provided for teacher and other Certificated Instructional Staff (CIS) cost-of-living adjustments (COLAs). Currently, salaries for teachers and other CIS at the Washington State School for the Blind (WSSB) are paid according to the Vancouver School District's salary schedule, as required under state law. When state salary increases are provided to public school CIS, teachers and other CIS at the WSSB receive equivalent salary increases. Initiative 732 defines the annual COLA for teachers and CIS as the prior year's Seattle area Consumer Price Index. Consistent with the initiative, teachers and other CIS at WSSB will receive a 3.7 percent salary increase during the 2001-02 school year followed by an increase to be determined by the 2002 Legislature for the 2002-03 school year.
3. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
4. **Regional Outreach Program** - Funding is provided for a part-time orientation and mobility specialist to implement a regional program developed by WSSB and the Education Service District 101 to coordinate the delivery of orientation and mobility services to blind children in northeast Washington. Additional staffing for the program will be coordinated at the local level with ongoing program operations funded through local sources. (General Fund-State, General Fund-Private/Local)
5. **Digital Classroom/Accessible Media** - Spending authority is granted to provide specialized training to teachers in their local school districts, via the K-20 network. WSSB is pursuing partnerships with higher education teacher training

## State School for the Deaf

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>13,699</b>	<b>0</b>	<b>13,699</b>
<b>2001-03 Maintenance Level</b>	<b>14,483</b>	<b>0</b>	<b>14,483</b>
<b>Policy Changes</b>			
1. School Safety Officer	10	0	10
2. K-12 Salary COLA	166	0	166
3. General Inflation	-63	0	-63
4. Academic Excellence	102	0	102
5. Outreach Program	136	232	368
<b>Total 2001-03 Biennium</b>	<b>14,834</b>	<b>232</b>	<b>15,066</b>
Fiscal Year 2002 Total	7,395	116	7,511
Fiscal Year 2003 Total	7,439	116	7,555

### Comments:

1. **School Safety Officer** - One-time funding is provided for a Safety Resource Officer to assist the school in developing guidelines and procedures to maintain a safe campus. This funding will be used as a match for the federal Safety Resource Officer Program funding.
2. **K-12 Salary COLA** - Funding is provided for teacher and other Certificated Instructional Staff (CIS) cost-of-living adjustments (COLAs). Currently, salaries for teachers and other CIS at the Washington State School for the Deaf (WSSD) are paid according to the Vancouver School District's salary schedule, as required under state law. When state salary increases are provided to public school CIS, teachers and other CIS at the WSSD receive equivalent salary increases. Initiative 732 defines the annual COLA for teachers and CIS as the prior year's Seattle area Consumer Price Index. Consistent with the initiative, teachers and other CIS at WSSD will receive a 3.7 percent salary increase during the 2001-02 school year followed by an increase to be determined by the 2002 Legislature for the 2002-03 school year.
3. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
4. **Academic Excellence** - One-time funding is provided for the replacement of textbooks and classroom materials and to pay tuition costs for students participating in off-campus running start and vocational education programs at Clark College and Clark County Skill Center.
5. **Outreach Program** - One-time funding is provided to initiate an outreach program. Services will include direct evaluation and assessment of students attending local public schools, consultation and training to parents, and consultation and training to professional educators serving these students. The school will expand on-campus weekend and summer programs, which will enhance the educational and social skill building opportunities for participating deaf and hard-of-hearing students. Delivery of outreach services to students will be funded through contracts with local school districts. (General Fund-State, General Fund-Private/Local)

# Special Appropriations

## **Initiative-695 (I-695) Assistance to Public Health Districts, Cities, and Counties**

The budget provides funding of \$192 million for assistance to public health districts, cities, and counties to address the impacts of I-695. This funding continues the legislative intent set forth in the 2000 supplemental budget, which was affirmed by the legislative task force, for backfill of public health and local government losses due to I-695 with state resources. An increase in funding is provided at the Initiative 601 growth rate.

## **Ferry Assistance**

The sum of \$30 million from the State Surplus Assets Account is appropriated to the Puget Sound Ferry Operations Account to support ferry operations in the 2001-03 biennium, however, there are no moneys to support this appropriation. Second Engrossed Substitute Senate Bill 6166, which would have established the State Surplus Assets Reserve Fund and transferred assets from the Law Enforcement Officers Fire Fighters Plan 1 pension account, was not enacted.

## **Technology Pool**

Funding is provided for a competitive information technology pool for state executive branch agencies, excluding schools and institutions of higher education. Agencies may apply to the Department of Information Services to receive a share of these funds. Funds are to be distributed to state agencies by the Office of Financial Management (OFM). OFM shall not distribute funding unless specific operational budget savings are identified for any ongoing operating costs resulting from the information technology project.

## **Extraordinary Criminal Justice**

A total of \$975,000 is provided for financial assistance to Franklin, Klickitat, Cowlitz, Skagit, Yakima, Thurston, and Spokane counties for extraordinary criminal justice costs incurred in the adjudication of aggravated homicide cases.

## **Torts**

Initially, it was assumed that \$144 million would be available for tort claims and defense in the 2001-03 biennium, but the actual funding level is \$106 million. Tort appropriations come from several sources. State agencies' revolving fund appropriations include a base amount of \$75 million plus an increase of \$38 million to pay for tort claims and defense. However, \$13 million of the \$38 million increase is unfounded, because the transportation budget did not include \$13 million to pay for the increase in the Department of Transportation's tort premium. There is a \$6.4 million appropriation from the General Fund-State to pay for torts. Another \$25 million appropriation is from the State Surplus Assets Reserve Account; however, there are no moneys to support this appropriation. Second Engrossed Substitute Senate Bill 6166, which would have established the State Surplus Assets Reserve Fund and transferred assets from the Law Enforcement Officers Fire Fighters Plan 1 pension account, was not enacted.

## **Salaries**

### **State Employees Cost-of-Living Adjustment (COLA) – \$115.1 million General Fund-State**

The budget funds an across-the-board salary increase of 3.7 percent on July 1, 2001. Funding is also provided for an increase for fiscal year 2003, in an amount to be determined by the 2002 Legislature. All classified and exempt employees who are subject to the jurisdiction of the Washington Personnel Resources Board (WPRB) will receive both increases. Employee groups that are not under WPRB, such as Washington State Patrol commissioned officers, assistant attorneys general, and judicial employees, will receive increases that average 3.7 percent beginning July 1, 2001, and that average the same level of increase provided for classified employees in fiscal year 2003.

The budget includes a total of \$629 million General Fund-State to provide COLAs for all employee groups and vendors: \$115 million for state agencies; \$107 million for higher education; \$318 million for K-12; and \$89 million for vendors.

#### **Recruitment and Retention Priorities – \$27.5 million General Fund-State**

The budget provides funding for nine highest priority salary increase proposals adopted by the WPRB as part of the “6767” process. The job classes that will receive increases effective January 1, 2002 include: psychiatrists, psychologists, information technology positions, forensic scientists, social workers, campus police, financial classifications, insurance examiners, registered nurses, and licensed practical nurses.

#### **Assistant Attorneys General – \$3.1 million General Fund-State, \$3.1 million Other Funds**

The budget provides funding to increase beginning salaries, to provide merit-based salary increases, and to address recruitment and retention problems in certain specialty areas of practice, such as torts, revenue, utilities, and other high-demand fields.

### **Health Benefits**

#### **State Agency Employee Health Benefits Cost Increases – \$27.2 million General Fund-State**

The budget increases the monthly state contribution for health insurance and related benefits for state agency and higher education employees from a current level of \$436.16 to \$457.29 in fiscal year 2002 and to \$497.69 in fiscal year 2003, an increase of \$61.53 over two years, or 14 percent. This funding level reflects the following expected changes in state employee health benefits:

- Increases in employee co-payments for ambulance service, emergency room visits, and in-patient and out-patient hospital care;
- Elimination of double premium payments to health plans where married employees are both state employees; and
- An increase in the employee share of the total monthly contributions for health insurance related benefits. The current employee premiums pay about 6 percent of the cost of the total benefit package; this would increase to about 8 percent in 2002 and to 10 percent in 2003.

The average state employee premium is expected to increase from about \$28 per month to \$52 per month in calendar year 2002, and to \$58 in 2003. The portion of the premium collected for administrative expenses is adjusted for various employee and retiree groups to more accurately reflect the administrative costs associated with each group. The funding level assumes no increase in the current \$10 co-pay for office visits and no changes to the current pharmacy benefit co-pays.

In addition to the \$27 million General Fund-State provided to state agencies for health insurance funding rate increases, an additional \$23 million was provided to higher education institutions and \$81 million to K-12 for such increases.

#### **Medicare Retirees Health Insurance Premium Subsidy**

Approximately \$10 million of the increase in funding for state, higher education, and K-12 employee health benefits will be used to increase the Medicare retiree subsidy from \$69.98 for calendar year 2001, to \$85.84 for 2002, and to \$102.55 for 2003. This is a \$32.57 increase (47 percent) over two years.

### **Pensions**

#### **Pension Contribution Rate Adjustments – \$43 million General Fund-State Savings**

The budget includes reductions in employer and state contributions for the Public Employees’ Retirement System (PERS), School Employees’ Retirement System (SERS), Teachers’ Retirement System (TRS), and Law Enforcement Officers’ and Fire Fighters’ (LEOFF) Retirement Plan 2 – contained in Chapter 11, Laws of 2001, 2<sup>nd</sup>

sp.s., Partial Veto (ESSB 6167). The new funding provisions increase the long-term salary growth assumption to 4.5 percent and the long-term investment return assumption to 8 percent; re-establish the June 30, 2024 target date for full funding all PERS 1 and TRS 1 liabilities; and provides a four-year period for smoothing investment gains and losses.

The changes to the state's long-term economic assumptions bring the state's assumptions for pension funding into closer alignment with the average assumptions used by the majority of other state retirement plans. The extension of the Plan 1 funding target date returns it to the date originally established in 1989; the implementation of the smoothing period will provide greater rate predictability and stability. These changes will result in \$198 million total state general fund savings: \$143.9 million for K-12 (\$136.8 in base savings plus \$7.1 in reduced COLA costs), and \$11.5 million in higher education, \$8 million in LEOFF 2, and \$35 million in state agencies.

As a result of the 1999 valuation studies and the changes in the long-term economic assumptions, the member contribution rate for PERS Plan 2 will be reduced by 1.55 percent of pay, from 2.43 percent to 0.88 percent. This reduction will more than offset the proposed average increase in employee health premiums for the great majority of state employees. The TRS Plan 2 member rate will be reduced by 1.78 percent, from 3.01 percent to 1.23 percent.

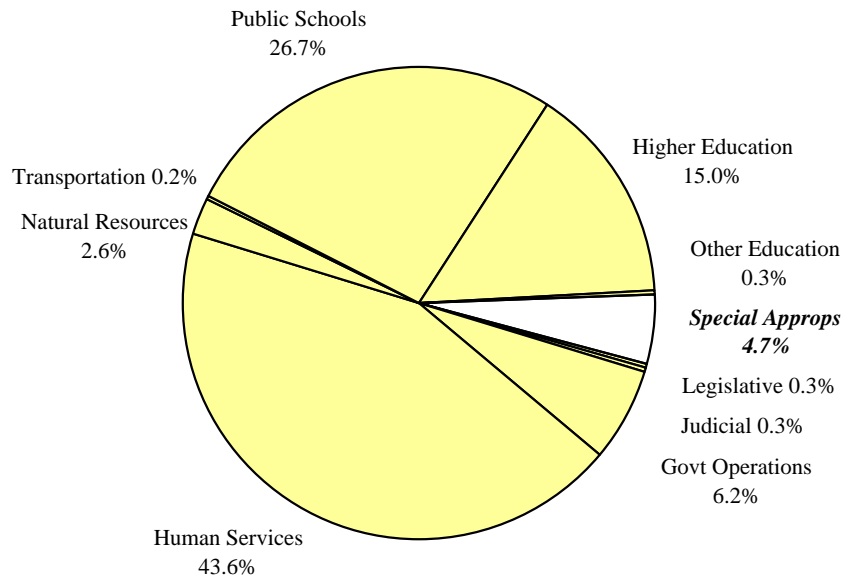
#### **Reducing Local Government Pension Costs – \$162 Million Local Funds**

The budget provides for lower local employer pension contribution rates in PERS, SERS, TRS, and LEOFF 2 – contained in Chapter 11, Laws of 2001, 2<sup>nd</sup> sp.s., Partial Veto (ESSB 6167). These lower rates yield \$119.9 million in savings for PERS and SERS employers, \$28.5 million in savings for TRS employers, and \$13.6 million in savings for LEOFF 2 employers.

**2001-03 Washington State Operating Budget**  
**Total Budgeted Funds**  
(Dollars in Thousands)

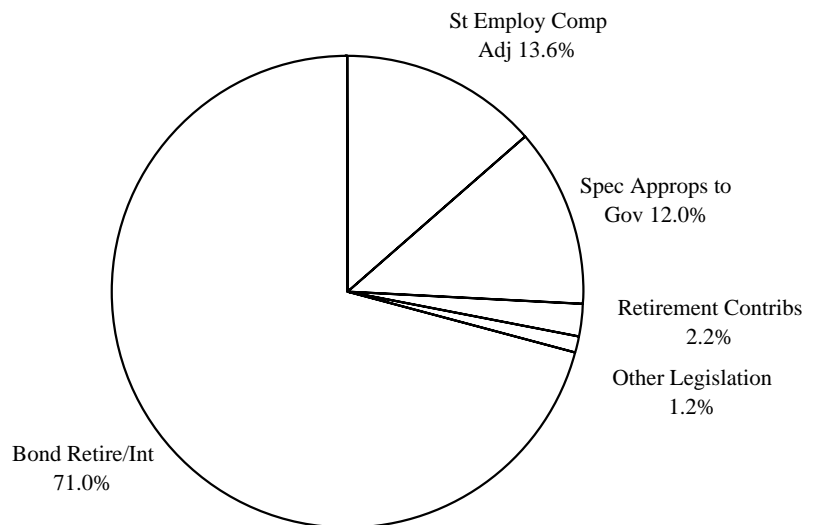
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Legislative	139,285
Judicial	141,697
Governmental Operations	2,707,559
Human Services	18,911,595
Natural Resources	1,123,648
Transportation	104,494
Public Schools	11,571,857
Higher Education	6,502,726
Other Education	116,415
<b><i>Special Appropriations</i></b>	<b><i>2,036,571</i></b>
<b>Statewide Total</b>	<b>43,355,847</b>



**Washington State**

Bond Retire/Int	1,445,279
State Employee Comp Adj	277,302
Special Approps to Governor	244,170
Retirement Contributions	44,720
Other Legislation	25,100
<b><i>Special Appropriations</i></b>	<b><i>2,036,571</i></b>

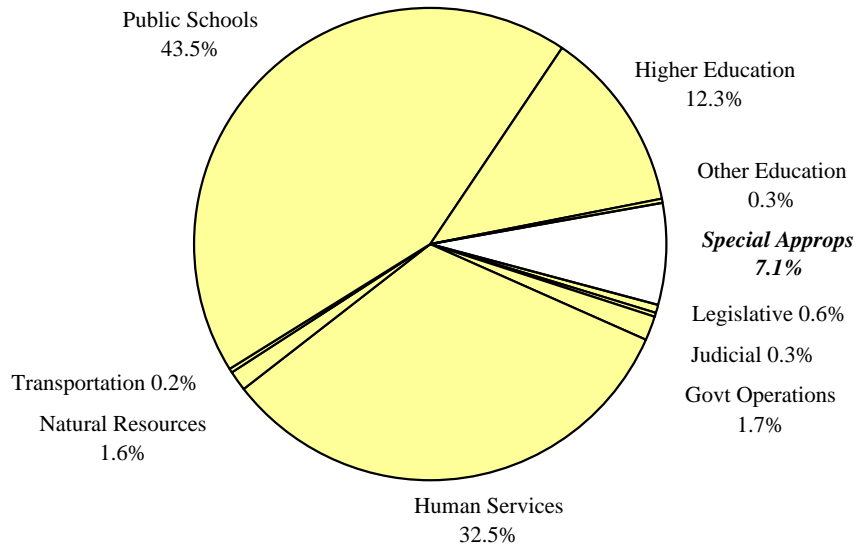


***Special Appropriations***

**2001-03 Washington State Operating Budget**  
**General Fund-State**  
(Dollars in Thousands)

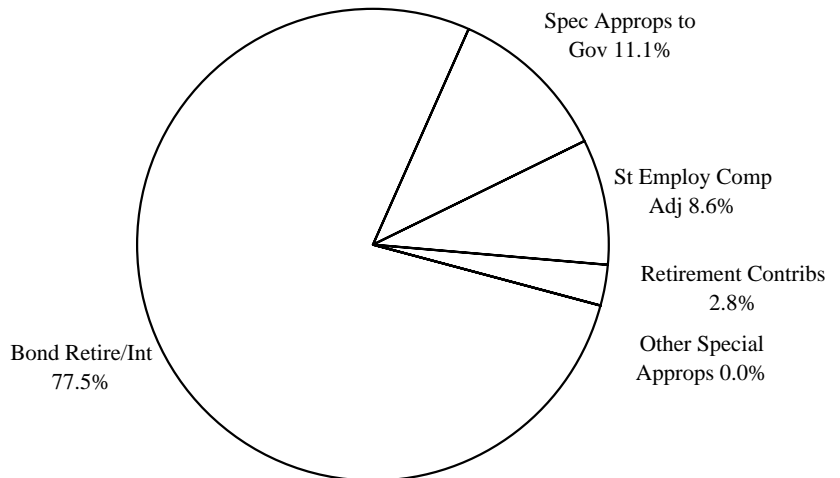
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Legislative	133,124
Judicial	71,679
Governmental Operations	392,304
Human Services	7,415,303
Natural Resources	355,477
Transportation	40,722
Public Schools	9,903,086
Higher Education	2,800,460
Other Education	59,988
<b><i>Special Appropriations</i></b>	<b><i>1,611,095</i></b>
<b>Statewide Total</b>	<b>22,783,238</b>



**Washington State**

Bond Retire/Int	1,248,770
Special Approps to Governor	179,406
State Employee Comp Adj	138,099
Retirement Contributions	44,720
Other Special Approps	100
<b><i>Special Appropriations</i></b>	<b><i>1,611,095</i></b>



***Special Appropriations***

**Bond Retirement and Interest**

(Dollars in Thousands)

	<b>GF-S</b>	<b>Other</b>	<b>Total</b>
<b>1999-01 Expenditure Authority</b>	<b>1,118,176</b>	<b>177,687</b>	<b>1,295,863</b>
2001 Supplemental *	1,066	-2,900	-1,834
<b>Total 1999-01 Biennium</b>	<b>1,119,242</b>	<b>174,787</b>	<b>1,294,029</b>
<b>2001-03 Maintenance Level</b>	<b>1,227,146</b>	<b>185,581</b>	<b>1,412,727</b>
<b>Policy Changes</b>			
1. New Issuance 2001-03 Exist Auth	0	10,134	10,134
2. New Debt 2001-03 Capital Budget	21,624	794	22,418
<b>Total 2001-03 Biennium</b>	<b>1,248,770</b>	<b>196,509</b>	<b>1,445,279</b>
Fiscal Year 2002 Total	654,206	99,581	753,787
Fiscal Year 2003 Total	594,564	96,928	691,492

**Comments:**

1. **New Issuance 2001-03 Exist Auth** - New issuance in the 2001-03 biennium from existing authorizations (previous bond bills) and reimbursable bonds newly authorized in the 2001 session including the bonds for the plaza garage, the University of Washington, and the Legislative Building.
2. **New Debt 2001-03 Capital Budget** - Debt service and bond sale expenses will be incurred for the new debt issued to fund the 2001-03 biennium capital plan. (General Fund-State, various debt service accounts)

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the Bond Retirement & Interest's budget is shown in the Transportation Budget Section of this document.

\* Please see the 2001 Supplemental Operating Budget Section for additional information.



## Special Appropriations to the Governor

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>307,014</b>	<b>106,291</b>	<b>413,305</b>
2001 Supplemental *	1,000	73,336	74,336
<b>Total 1999-01 Biennium</b>	<b>308,014</b>	<b>179,627</b>	<b>487,641</b>
<b>2001-03 Maintenance Level</b>	<b>206,914</b>	<b>46,158</b>	<b>253,072</b>
<b>Policy Changes</b>			
1. DCTED-County Public Health Assist	0	2,113	2,113
2. Digital Government	0	5,000	5,000
3. Fire Contingency Initiative	2,000	3,000	5,000
4. Extraordinary Criminal Justice Cost	0	975	975
5. Ferry Assistance	-40,000	30,000	-10,000
6. Technology Pool	0	7,518	7,518
7. Liability Account	6,392	25,000	31,392
8. Digital Government Revolving Acct	4,100	0	4,100
9. Forest Development Account	0	5,000	5,000
10. Lapse	0	-55,000	-55,000
11. Governor Veto	0	-5,000	-5,000
<b>Total 2001-03 Biennium</b>	<b>179,406</b>	<b>64,764</b>	<b>244,170</b>
Fiscal Year 2002 Total	86,460	32,515	118,975
Fiscal Year 2003 Total	92,946	32,249	125,195

### Comments:

1. **DCTED-County Public Health Assist** - In order to consolidate replacement of local public health funding associated with the loss of local revenue following the passage of Initiative 695, funds for King County Public Health are transferred from the Department of Community, Trade, and Economic Development's budget to Special Appropriations. The amount is reduced by 10 percent to align King County funding with other public health districts. (Health Services Account)
2. **Digital Government** - The implementation of on-line services for agencies with dedicated funds will be provided from a funding pool in order to facilitate consideration of multiple individual project requests from various state agencies. (Digital Government Revolving Account-State)
3. **Fire Contingency Initiative** - A fire contingency pool was created in the 1999 Supplemental Budget to address fire mobilization costs and fire suppression costs in excess of the amounts appropriated to the Military Department and the Department of Natural Resources. During the 2000 fire season, this pool was completely depleted. Funds are appropriated from the general fund to the Disaster Response Account to replenish this contingency pool. (General Fund-State, Disaster Response Account-State)
4. **Extraordinary Criminal Justice Cost** - Funding is provided for assistance to Franklin, Klickitat, Cowlitz, Skagit, Yakima, Thurston, and Spokane counties for extraordinary criminal justice costs incurred in the adjudication of aggravated homicide cases. (Public Safety and Education Account)
5. **Ferry Assistance** - Support to the Puget Sound Ferry Operations Account is provided from the State Surplus Assets Reserve Account. Support is reduced from \$20 million in FY 2002 to \$10 million in FY 2003; however, there are no moneys to support these appropriations. Second Engrossed Substitute Senate Bill 6166, which would have established the State Surplus Assets Reserve Fund and transferred assets from the Law Enforcement Officers Fire Fighters pension 1 plan account, was not enacted.
6. **Technology Pool** - Funding is provided for a competitive information technology pool for state executive branch agencies, excluding schools and institutions of higher education. Agencies may apply to the Department of Information Services to receive a share of these funds. Funds are to be distributed to state agencies by the Office of Financial Management (OFM). OFM shall not distribute funding unless specific operational budget savings are identified for any ongoing operating costs resulting from the information technology project. (Digital Government Revolving Account-State)
7. **Liability Account** - Amounts of \$6.4 million from General Fund-State and \$25 million from the State Surplus Assets Reserve Account are appropriated for deposit to the Liability Account to pay increased costs associated with tort claims and defense. There are no moneys, however, to support these appropriations. Second Engrossed Substitute Senate Bill 6166, which would have established the State Surplus Assets Reserve Fund and transferred assets from the Law Enforcement Officers Fire Fighters pension 1 plan account, was not enacted.

## Special Appropriations to the Governor

8. **Digital Government Revolving Acct** - General Fund-State is appropriated to Digital Government Revolving Account for an information technology pool.
9. **Forest Development Account** - Provides funding for distribution of state forest land revenues to taxing authorities that received such revenue from FY 1996 through FY 2000.
10. **Lapse** - The State Surplus Assets Reserve Fund was to be established by 2ESSB 6166 which failed to pass. Therefore, the appropriations from this fund lapse.
11. **Governor Veto** - The Governor vetoed Section 710 of Chapter 7, Laws of 2001, 2nd sp.s., Partial Veto (ESSB 6153), which directed the distribution to local taxing authorities of \$5 million of state forest land revenues in the Forest Development Account.

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the Special Appropriations to the Governor's budget is shown in the Transportation Budget Section of this document.

\* Please see the 2001 Supplemental Operating Budget Section for additional information.

## State Employee Compensation Adjustments

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>161,024</b>	<b>192,147</b>	<b>353,171</b>
<b>2001-03 Maintenance Level</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Policy Changes</b>			
1. Health Benefit Changes	28,775	30,313	59,088
2. Attorney Salary Increases	3,071	3,071	6,142
3. State Employee Salary Increase	115,070	132,436	247,506
4. Salary Reclass Implementation	27,538	13,127	40,665
5. Pension Savings/Economic Assumption	-34,745	-38,047	-72,792
6. FICA Savings	-1,610	-1,697	-3,307
<b>Total 2001-03 Biennium</b>	<b>138,099</b>	<b>139,203</b>	<b>277,302</b>
Fiscal Year 2002 Total	41,852	42,581	84,433
Fiscal Year 2003 Total	96,247	96,622	192,869

### Comments:

1. **Health Benefit Changes** - Employee and non-Medicare retiree health benefit costs are expected to increase by 9.1 percent for managed care plans and 10.7 percent for the Uniform Medical Plan (UMP) in calendar year 2002 and by 12 percent for all plans in calendar year 2003. Medicare retiree health benefit costs are expected to increase by 20 percent each year for managed care plans and 21 percent each year for UMP. The monthly employer contribution rate is increased from \$436.16 in FY 2001 to \$457.29 in FY 2002 and \$497.69 in FY 2003. At these rates, the employer contribution is approximately 92 percent of the total premium rate in FY 2002 and 90 percent of the total premium rate in FY 2003. These rates assume an increase in co-payments for certain medical services, but assume no increase in the current office co-pays, and no change to the current co-pays for prescription drugs. Funding is also provided for additional benefits specified in Chapter 321, Laws of 2001 (ESHB 1364 - General Anesthesia Services). The Health Care Authority estimates the average employee monthly premium rate would increase from \$27.78 in calendar year 2001 to approximately \$52 in 2002 and \$58 in 2003. The Medicare retiree subsidy is increased from \$69.98 to \$85.84 in 2002 and to \$102.55 in 2003. The monthly K-12 employee remittance, to fund the cost of K-12 retiree subsidies, would increase from \$25.06 to \$32.41 for the 2001-02 school year and to \$37.48 for the 2002-03 school year. (General Fund-State, General Fund-Federal, General Fund-Local, Salary and Insurance Increase Revolving Fund)
2. **Attorney Salary Increases** - The budget provides funding for the following targeted salary increases for assistant attorneys general: (1) increases in beginning salaries; (2) merit-based increases to recognize outstanding performance; and (3) increases to address critical recruitment and retention problems in specialty practice areas such as torts, revenue, utility regulation, and other high-demand fields. Increases shall be effective July 1, 2001, and July 1, 2002. (General Fund-State, Legal Services Revolving Account)
3. **State Employee Salary Increase** - A cost-of-living adjustment (COLA) of 3.7 percent effective July 1, 2001, is provided to all state classified employees, with the exception of the certificated staff at the state schools for the Deaf and Blind. Funds are also available sufficient for a 2.6 percent increase effective July 1, 2002, but the adoption of a specific salary increase is left to the 2002 Legislature. Funding is also included to provide similar average COLAs to exempt personnel at the discretion of agency directors. (General Fund-State, General Fund-Federal, General Fund-Local, Salary and Insurance Contribution Increase Revolving Account)
4. **Salary Reclass Implementation** - Specific salary increases are funded, effective January 1, 2002, for the listed priorities through item number 8B adopted under the 6767 process by the Washington Personnel Resources Board. Classifications receiving adjustments are: psychiatrists; psychologists; various higher education information technology classes; forensic document examiners and forensic scientists; social workers; campus police; various financial classifications in both higher education and general government; insurance examiners; all classes requiring licensure as a registered nurse; and licensed practical nurse classes, including mental health LPNs. (General Fund-State, General Fund-Federal, Salary and Insurance Contribution Increase Revolving Account)
5. **Pension Savings/Economic Assumption** - The Public Employees' Retirement System (PERS) employer contribution rate adopted by the Pension Funding Council for the 2001-03 biennium was 3.21 percent and the Teachers' Retirement System (TRS) employer contribution rate was 5.38 percent. The PERS rate is further reduced to 1.54 percent, effective July 1, 2001, and the TRS employer contribution rate is further reduced to 2.75 percent, effective September 1, 2001. The new rates are based on the 1999 plan year valuation studies conducted by the Office of the State Actuary in 2000, but are adjusted to reflect the changes

## State Employee Compensation Adjustments

made by Chapter 11, Laws of 2001, 2nd sp.s., Partial Veto (ESSB 6167), which increases the long-term economic assumptions for future wage growth and investment returns, and re-establishes the June 30, 2024 deadline for funding all of the liabilities of PERS 1 and TRS 1. (General Fund-State, General Fund-Federal, General Fund-Local, Special Retirement Contribution Increase Account)

6. **FICA Savings** - The budget reduces the level of agency allocations for health insurance rate increases to recognize the agency FICA (social security) savings from payment of employee premiums on a pre-tax basis. The funding rate is reduced by \$2.00 per month for FY 2002, and by \$3.00 for FY 2003, to reflect most of the agency savings resulting from the increase in average employee premiums from \$28 per month in 2001, to \$52 in 2002, and to \$58 in 2003. Additional state agency savings equal to \$1.00 per month for both years is left with the agencies to cover the cost of the Human Resource Information Systems Division rate increases for payroll system changes needed to implement PERS Plan 3 and other costs. (General Fund-State, General Fund-Federal, General Fund-Local, Salary and Insurance Contribution Increase Revolving Account)

## Contributions to Retirement Systems

(Dollars in Thousands)

	GF-S	Other	Total
<b>1999-01 Expenditure Authority</b>	<b>51,712</b>	<b>0</b>	<b>51,712</b>
<b>2001-03 Maintenance Level</b>	<b>52,700</b>	<b>0</b>	<b>52,700</b>
<b>Policy Changes</b>			
1. Pension Savings/Economic Assumption	-7,980	0	-7,980
<b>Total 2001-03 Biennium</b>	<b>44,720</b>	<b>0</b>	<b>44,720</b>
Fiscal Year 2002 Total	21,802	0	21,802
Fiscal Year 2003 Total	22,918	0	22,918

**Comments:**

1. **Pension Savings/Economic Assumption** - The Law Enforcement and Fire Fighters Retirement System Plan 2 state contribution rate adopted by the Pension Funding Council for the 2001-03 biennium was 2.31 percent. The rate is further reduced to 1.80 percent effective July 1, 2001. The new rate is based on the 1999 plan year valuation study conducted by the Office of the State Actuary in 2000, but is adjusted to reflect the changes made by Chapter 11, Laws of 2001, 2nd sp.s., Partial Veto (ESSB 6167), which increases the long-term actuarial assumptions for future wage growth and investment returns.

**Sundry Claims**

(Dollars in Thousands)

	<b>GF-S</b>	<b>Other</b>	<b>Total</b>
<b>1999-01 Expenditure Authority</b>	<b>215</b>	<b>0</b>	<b>215</b>
2001 Supplemental *	92	221	313
<b>Total 1999-01 Biennium</b>	<b>307</b>	<b>221</b>	<b>528</b>
<b>2001-03 Maintenance Level</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total 2001-03 Biennium</b>	<b>0</b>	<b>0</b>	<b>0</b>
Fiscal Year 2002 Total	0	0	0
Fiscal Year 2003 Total	0	0	0

**Comments:**

\* Please see the 2001 Supplemental Operating Budget  
Section for additional information.